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Daily Report
East Asia

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Taiwan Official Addresses Thai Foreign Correspondents Club

OW0905073796 Taipei CNA in English 0336 GMT 9 May 96

[By Kuo Fang-chih; received via Internet]

[FBIS Transcribed Text] Bangkok, May 8 (CNA) — Relations across the Taiwan Strait are an important component of regional integration, a ROC [Republic of China] mainland affairs official said in Bangkok Wednesday [8 May].

Beijing authorities need to face up to the existence of the ROC and promote cooperation in the spirit of "reason, peace, parity, and reciprocity" in order to create a "win-win" situation across the Taiwan Strait, Chang King-yu, chairman of the ROC Mainland Affairs Council said.

He made the statements in a speech on "Relations Across the Taiwan Strait and the Future of East Asia" at a luncheon of the Foreign Correspondents Club of Thailand (FCCT).

Chang stressed in his speech that in seeking to develop relations with friendly countries in East Asia, the ROC Government is not attempting to undermine the interests of Beijing. He said, however, that the ROC must not allow itself to be harmed or discriminated against. "We believe in creating a 'win-win' situation," he said.

He said Beijing's decision to step up its military threat just before Taiwan's first direct Presidential election in March was probably motivated by fear that the election would stir up pro- democracy forces in Mainland China.

"Under the excuse of fighting 'Taiwan independence,' Beijing sought to divert overseas attention — and more importantly the attention of people in Mainland China — away from the development of democracy in Taiwan," Chang said.

Chang said the hostile actions were a reflection of Beijing's lack of confidence in the new cross-strait situation.

Chang suggested that in the post-Cold War period, nations should try to establish a regional consensus on "peaceful coexistence and cooperative development."

Chang said the communist powers in East Asia, particularly Mainland China, are involved in many of the region's potential trouble spots, such as the Korean peninsula, the Taiwan Strait, and the South China Sea. He said this demonstrates that diametrically opposed political systems and ideological differences are having a negative impact on regional stability.

The ROC minister proposed that East Asian nations establish an informal East Asian — or even Asia-Pacific — security dialogue in order to avoid unnecessary misunderstanding and tensions.

"Once this informal dialogue is up and running, we should then try to develop an official collective security system which would endeavor to maintain peace and stability in the region through multilateral cooperation," Chang stressed.

On the economic front, the ROC minister urged East Asian nations to replace confrontation with cooperation and work together to develop the resources of the East and South China Seas.

ASEAN Officials Discuss ARF Admission for India, Burma

BK0905130096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 9 May 96

[FBIS Translated Text] India and Burma are likely to be admitted as members of the ASEAN Regional Forum [ARF]. A decision on this will, however, be made at a meeting of senior ARF officials scheduled to begin in Yogyakarta tomorrow.

Kishore Mahbubani, permanent secretary of the Singapore Ministry of Foreign Affairs, confirmed the matter in Yogyakarta this afternoon. India and Burma's applications to become ARF members were discussed by delegates at a three-day meeting of senior ASEAN officials. According to Kishore Mahbubani, the discussions centered on a membership criteria that should be compatible with the consensus reached at the previous ARF meeting.

Meanwhile, Izhar Ibrahim, director general of political affairs of the Indonesian Department of Foreign Affairs, said the criteria have not been finalized yet, as they will strongly depend on the situation and condition of the countries wanting to join the ARF.

Japan

Japan: Brittan Urges Trilateral Private-Sector Forum on Chips

OW0905123596 Tokyo KYODO in English 1139 GMT 9 May 96

[FBIS Transcribed Text] Tokyo, May 9 KYODO — European Commission Vice President Leon Brittan on Thursday [9 May] proposed establishing a trilateral forum among Japanese, U.S. and European semiconductor firms to discuss the microchip trade, a Japanese Trade Ministry official said.

The proposal came when Brittan, who is visiting Japan as the head of a mission of European business leaders, met with International Trade and Industry Minister Shumpei Tsukahara.

At the meeting, Brittan reiterated that European chip makers would want to participate in a partnership agreement being negotiated between the Japanese and U.S. chip industries if such an accord is struck, the official said.

Brittan and European semiconductor industry leaders had made the same point earlier in the day when they held a roundtable session with Tsukahara and senior officials of the ministry of international trade and industry.

On the proposed trilateral private-sector forum, Tsukahara told Brittan that the Japanese Government has no intention of intervening in the industry, saying European chip makers should first explain to their Japanese counterparts what they would want to discuss at such a forum, the official said.

Tsukahara also suggested that the European chip industry show a commitment to repealing tariffs on semiconductor imports, which have been holding back Japanese companies from joining forces with the Europeans, the official said.

Brittan expressed understanding of Japan rejecting a U.S. call to renew the 1991 bilateral agreement for enhancing foreign access to the Japanese microchip market, saying the European union is opposed to any accord involving managed trade, the official said.

Japan argues against renewal of the pact, saying it has achieved its objectives, as indicated by the growing presence of foreign microchips in Japan. It says it will instead monitor the partnership talks between Japanese and U.S. semiconductor industries.

Meanwhile, Tsukahara and Brittan confirmed the importance of concluding an Information Technology Agreement (ITA), a multilateral initiative to mutually repeal tariffs on semiconductors, computers and other products in the information industry.

At a quadrilateral meeting held in Kobe last month, Tsukahara, Brittan, acting U.S. Trade Representative Charlene Barshefsky and Canadian International Trade Minister Arthur Eggleton expressed support for ITA negotiations.

At that time, Brittan sought to link the EU's ITA endorsement to its participation in a Japan-U.S. semiconductor arrangement replacing the 1991 accord, saying the ITA issue is "very closely related to the whole question of access to the Japanese semiconductor market."

This time, however, Brittan and Tsukahara confirmed that it is not in the interest of either Japan or the EU to regard the ITA as a compensation or prerequisite in other issues, according to the official.

Japan: Brittan Restates European Hopes for Chip Pact

OW1005075496 Tokyo KYODO in English 0725 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — European Commission Vice President Leon Brittan renewed a call Friday [10 May] for inclusion of European semiconductor makers in a proposed Japan-U.S. private sector agreement on chip trade which would replace the current government-level pact.

Brittan, who is visiting Japan to head a delegation of European business leaders, made the pitch in a luncheon meeting with Foreign Minister Yukihiko Ikeda, a Foreign Ministry official said.

Brittan made a similar call Thursday when he met with International Trade and Industry Minister Shumpei Tsukahara.

The Japan-U.S. accord expires July 31. While the United States wants its renewal, Japan has staunchly opposed the demand.

Japan: UE's Brittan Urges Progress in Chip Market Access, Tariffs

OW1005122096 Tokyo KYODO in English 1127 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — European Commission Vice President Leon Brittan said Friday [10 May] progress must be sought concurrently on both improving European access to the Japanese semiconductor market and repealing European tariffs on microchip imports.

"It's time to move forward and solve both problems," Brittan said at a news conference wrapping up his two-day visit to Japan as the head of a European business mission.

The remark is a new slant on Brittan's comments in Kobe last month when he attended a quadrilateral trade meeting from Japan, the United States, the European Union (EU) and Canada.

Brittan at the time said Europe cannot consider lowering its tariffs under an Information Technology Agreement (ITA) — a planned four-way commitment to mutually repeal tariffs on chips — until it is assured of improved European access to the Japanese chip market.

When he met with Japanese International Trade and Industry Minister Shumpei Tsukahara on Thursday, however, Brittan told him, "Let's not talk about conditions or preconditions. Let's talk about solutions," he said at the press conference.

But when asked if Europe will now push forward the ita, regardless of progress on the semiconductor front, Brittan said, "That's not what I said."

Brittan also reiterated European interest in joining a partnership arrangement being negotiated between the Japanese and U.S. semiconductor industries in an effort to break the deadlock over renewal of the 1991 bilateral chip accord that expires July 31.

Japan: European Chip Makers Seek Partnership With Japan, U.S.

OW1005142196 Tokyo KYODO in English 1411 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Siemens AG of Germany and two other major European semiconductor makers urged the Japanese Trade Ministry Friday [10 May] to support their proposal for trilateral cooperation with their Japanese and U.S. Counterparts, ministry officials said.

Executives of the companies, who are visiting Japan as part of a European business mission led by European Commission Vice President Leon Brittan, met Friday afternoon with senior officials of the Ministry of International Trade and Industry (MITI).

The executives told the MITI officials that they had made the proposal for trilateral private-sector partnership to the Electronics Industries Association of Japan (EIAJ), the officials said.

The EIAJ is currently negotiating a partnership arrangement with the U.S. Semiconductor Industry Association to replace the 1991 government-level bilateral microchip agreement that expires July 31.

European semiconductor makers have blamed the Japan-U.S. chip agreement for favoring sales of U.S.-made semiconductors in Japan at the expense of their own products, although the pact is meant to enhance access of all foreign chip makers to the Japanese market.

While acknowledging the importance of private-sector talks, Yoshio Ichiryu, deputy chief of MITI's Machinery and Information Industry Bureau, urged European chip makers to boost their commitment to the Japanese market to gain market share, the officials said.

The Europeans need to step up human resources for their Japanese operations and make other efforts, the officials quoted Ichiryu as saying.

Meanwhile, the Trade Ministry held separate talks with European home appliances industry representatives, who are also members of the business mission, the officials said.

Against criticism aired by the industry chiefs about the closed nature of the Japanese market, the MITI side pointed out that business opportunities are increasing for foreign suppliers on the back of growth in volume retailers carrying their products, they said.

Japan: Chip Makers Perplexed by Sudden Notice of Talks Delay

OW1005001596 Tokyo ASAHI SHIMBUN in Japanese 9 May 96 Morning Edition p 11

[FBIS Translated Text] Private-sector talks on the Japan-U.S. semiconductor agreement, which expires at the end of July, are likely to be rough going. On 8 May, the U.S. Semiconductor Industry Association [SIA] disclosed its plan to postpone its regular meeting with the Electronic Industries Association of Japan [EIAJ] slated for mid-June in Tokyo. The EIAJ is perplexed by the "sudden postponement notice." Chip makers suspect that "this might be an indication of U.S. makers' wish for 'in-depth government-level discussions, rather than private meetings' because private-sector talks will likely be rough going."

Concerning the planned regular meeting with the EIAJ, the SIA said: "We would like to hold it after the chip issue is resolved and the situation improves. In the past, regular meetings were held as planned every year. But the situation is different this year." The association plans to postpone the meeting until after autumn.

The SIA and the EIAJ held a meeting in Hawaii in late April to break the deadlock over the issue of extending the chip accord: The former is demanding the renewal of the accord and the latter is calling for abolishing the pact. However, they failed to iron out their differences. Officials close to the Hawaii meeting said: "The talks came near to rupturing."

The SIA's decision to postpone the regular meeting is said to aim at clarifying its stand on the extension of the chip accord and its wish to watch the developments of government-level talks. Japan's Ministry of International Trade and Industry said: "It is important to promote private-sector talks. We are baffled by the sudden call for government-level talks."

Japan: Tsukahara Supports Multilateral Private-Sector Chip Talks

OW1005042496 Tokyo KYODO in English 0316 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — International Trade and Industry Minister Shumpei Tsukahara said Friday [10 May] it is better for the Japanese, U.S. and European semiconductor industries to discuss their partnership through multilateral rather than bilateral meetings.

"It would not be a good idea to pursue separate talks" between Japanese and U.S. microchip industries on the one hand, and between Japanese and European industries on the other, Tsukahara said at a news conference.

Pushing bilateral talks too hard is "out of step with the times," Tsukahara said, adding that multilateral initiatives should be deployed as much as possible.

The remark follows the proposal made Thursday by European Commission Vice President Leon Brittan for a trilateral private-sector forum among Japanese, U.S. and European semiconductor makers.

Japanese and U.S. microchip industries are negotiating a new cooperative framework in an effort to break the Japan-U.S. impasse over a U.S. call for renewing the 1991 bilateral chip accord due to expire July 31, which Tokyo argues has already served its purpose.

Brittan, who is visiting Japan to head a delegation of European business leaders, reiterated that European chip makers should be included in the planned partnership when he met with Tsukahara on Thursday.

Tsukahara said he told Brittan that Japanese semiconductor makers would take up the issue of European tariffs on semiconductors when considering teaming up with European makers.

"Brittan hinted the tariff issue would not be much of a problem for the two industries," Tsukahara said.

Hashimoto Hints at SOFA Revision To Better Support USFJ

OW1005044196 Tokyo YOMIURI SHIMBUN in Japanese 9 May 96 Morning Edition p 3

[FBIS Translated Text] The Japan-U.S. Status of Forces Agreement [SOFA] may be revised to upgrade Japan's logistics support for U.S. Forces Japan [USFJ], Prime Minister Ryutaro Hashimoto said on 8 May. In response to a question by Councillor Kazuyoshi Shirahama (of Heisei-kai) at the House of Councilors Budget Committee, Hashimoto stated: "I believe the way for discussions on necessary revision of SOFA was provided in the joint declaration (on Japan-U.S. security cooperation)."

SOFA revision has so far been discussed by those calling for stronger restrictions on USFJ operations. Following the September 1995 rape of an Okinawan schoolgirl by U.S. servicemen, the Okinawa prefectural government urged a revision of SOFA to redress USFJ privileges in criminal justice procedures.

However, Hashimoto's remark is viewed as a "notification of the possibility of SOFA revisions to smooth USFJ operations" (as noted by a Defense Agency source). The new policy is seemingly based on the Japan-U.S. joint declaration on security cooperation adopted at the Hashimoto-Clinton talks last month. According to the declaration: "The two governments should take every possible measure for coping with problems related to the presence and status of USFJ" to reinforce bilateral defense cooperation.

Japan: Senior LDP Members Urged Not To Excite Antibase Sentiment

OW0905135896 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 May 96 Morning Edition p 2

[FBIS Translated Text] On 8 May, Chief Cabinet Secretary Seiroku Kajiyama held separate meetings with Keizo Obuchi, former vice president of the Liberal Democratic Party [LDP]; former LDP Secretary General Hiroshi Mitsuzuka; and former Prime Minister Yasuhiro Nakasone and, at the same time, called former Prime Minister Noboru Takeshita. Calling for cooperation, Kajiyama asked them to refrain from having a constitutional debate over use of the collective self-defense right. Since the government is faced with the issue of "illegal occupation" of land at Sobe Communications Facility of the U.S. military, Kajiyama came to the conclusion that constitutional debate might excite the prefectural people's antibase feelings.

Japan: Official: Special Legislation Mulled for U.S. Military Land

OW1005044296 Naha RYUKYU SHIMPO in Japanese 10 May 96 Morning Edition p 1

[FBIS Translated Text] In connection with the forcible use of land for U.S. military facilities in Okinawa, a top government official revealed on the evening of 9 May that with leases for land owned by some 3,000 landowners expiring in May 1997, there are plans to draft "special legislation" to deal with the expiry date next year.

Prime Minister Ryutaro Hashimoto and Chief Cabinet Secretary Seiroku Kajiyama have made statements on special legislative measures since early April, after the land leases for a portion of the land housing the Sobe communications facility expired. However, this is the first time that a top government official has mentioned a specific timetable.

This official pointed out that, "It will be meaningless if we cannot make this in time for May 1997. Of course, it is possible to forcibly provide land for the U.S. forces (as in the case of the Sobe site), but this is not desirable."

With regard to the fact that there is a strong possibility that the government's application for emergency use of the Sobe site will be rejected, this official said: "The absence of legal title is a disgrace for the administration." He stressed the importance of legal provisions to prevent the recurrence of a similar situation.

Yomitan Village Rejects Construction of New Base, Runway

OW1005112396 Naha RYUKYU SHIMPO in Japanese 9 May 96 Evening Edition p 7

[FBIS Translated Text] Yomitan — The Yomitan Village Assembly (chaired by Terukazu Gibo), at its extra session on the morning of 9 May, unanimously adopted a statement and protest resolution "calling for the withdrawal of the plan to relocate base funcions to U.S. forces' facilities in Yomitan in exchange for return of a certain base on the island."

The villagers' anger, who have been bothered by base-related problems for the past 51 years since the war's end, reached its peak when they heard the Japanese and the U.S. Governments' decision to "pass base functions onto other areas" — in this case the Yomitan village — "to enhance base functions." The village intends to hold a mass rally on 19 May to oppose the relocation.

The resolution will be sent to the U.S. ambassador to Japan, the USFJ Okinawa area coordinator, and the commandant of the 1st Marine Aircraft Wing. The statement will be sent to the prime minister, the foreign minister, the Defense Agency director general, and the Okinawa prefectural governor.

On 15 April, the Japan-U.S. Special Committee on Okinawa (SACO) in its interim report revealed the plan to construct a new heliport with a runway in the Kadena Ammunition Depot area (Onna in Yomitan village) to transfer functions from Marine Corps Air Station Futenma. The extra session was held to oppose the plan and demand the withdrawal of the plan to protect the lives and properties of the villagers.

The resolution strongly denounces the construction of a new base and states: "It will never be accepted because it ignores a call for reorganization, reduction, and return of the bases from villagers who are forced to take on the unbearable burden of hosting the U.S. forces."

Furthermore, it states: "In the past years, parachute training at the Yomitan auxiliary airfield has resulted in the death of some villagers as well as the loss of private property. Our lives are continuously threatened by unpredictable crime and accidents involving U.S. forces." The resolution goes on to say: "If a helicopter unit and other types of aircraft are stationed on a new base, it will spell extreme danger because those planes will fly frequently over grade and middle schools and residential areas. Therefore, we will never accept the strengthening of base functions and more painful burdens on the Yomitan people."

Shinichi Toyama, chairman of the special investigation committee on base-related issues, also offered his reason for opposition to the plan. He said: "If the helicopter unit, which has a history of repeatedly causing crash-related accidents in the past, will be transferred to a new base, Yomitan residents will again face the loss of life and peace and be forced to suffer extreme pain under this dangerous umbrella. We cannot accept this unendurable burden any more."

The Yomitan people cannot hide their frustration over the construction of a new base with a runway particularly because the return of Sobe Communications Site (53 hectare) and Senaha Communications Site (61 hectare) to the village was officially decided on in the 15 April SACO interim report as a condition for building new facilities in other areas.

Japan: Tokorozawa Mayor Requests Return of U.S. Base Land

OW1005131696 Tokyo KYODO in English 1254 GMT 10 May 96

[FBIS Transcribed Text] Urawa, Japan, may 10 KYODO — The mayor of Tokorozawa, Saitama Prefecture, north of Tokyo, requested the return of land in his city occupied by a U.S. military facility in a letter submitted to the U.S. Secretary of State in Washington on Thursday, city officials said Friday [10 May].

Mayor Hiroshi Saito, who is in the United States on a trip to Tokorozawa's sister city in Illinois, handed the letter intended for Warren Christopher to a State Department official in charge of East Asia, the officials said.

According to the Tokorozawa officials, the U.S. official said the relationship between Japan and the U.S. is very important and the issue will be discussed.

The U.S. military still has a 97-hectare communications facility in the central area of the city.

Saito demanded the return of the land on grounds the facility hinders development of the city, the officials said.

Japan: Sakigake on Base Relocation, Defense Cooperation

OW0905143296 (Internet) Japanese New Party Sakigake WWW in Japanese 24 April 96 (tentative)

[New Party Sakigake statements issued on 24 April, 1996; from the "Statements and Press Releases" link]

[FBIS Translated Text] A) **Realignment, Consolidation, Reduction, and Relocation of U.S. Bases on Okinawa**

The joint declaration issued by the Japanese and U.S. leaders and the interim report released earlier by the Special Action Committee on Okinawa (SACO) are the first step toward realigning, consolidating, and downsizing U.S. bases on Okinawa. In particular, New Party Sakigake highly evaluates the Japan-U.S. agreement on the return of Marine Corps Air Station Futenma, which the party has strongly demanded.

However, this does not solve every problem. Taking into account Okinawa's historical background and the fact that 75 percent of U.S. military facilities in Japan are concentrated on Okinawa Prefecture, and being aware that maintenance of the Japan-U.S. security system would be impossible without Okinawa residents' support, Sakigake will continue to deal earnestly, with the issue of reducing U.S. military presence and other base-related problems in Okinawa. We will also take necessary legal and financial steps to solve these problems.

It is essential to gain consent from concerned municipalities to the relocation of U.S. bases on Okinawa. However, local municipalities considered to be possible new locations for U.S. bases on Okinawa have already begun campaigns against the relocation for their own reasons. This indicates that the relocation will never be an easy task. Nevertheless, it is imperative for the whole nation to share Okinawa's burdens to implement the nation's security policy. To gain public support, Sakigake will stress the importance of the Japan-U.S. security alliance and do its utmost to prevent pollution from U.S. bases and crimes by U.S. servicemen.

B) Financial Measures for Relocation of U.S. Bases

It is expected to cost a large sum of money to realize the realignment, consolidation, reduction, and relocation of U.S. bases on Okinawa. Thus, it will be very difficult to deal with the matter within the framework of the ordinary defense budget. An extra budgetary item may be needed to cope with the issue.

However, Sakigake will carefully study each case before deciding whether or not the ordinary defense budget can cope with the issue.

C) Review of "Japan-U.S. Defense Cooperation Guidelines"

In the joint declaration, Japanese and U.S. leaders agreed to initiate a review of the "Guidelines for Japan-U.S. Defense Cooperation." They also agreed to promote studies on bilateral cooperation in dealing with situations that may emerge in the areas surrounding Japan and that will have an important influence on the peace and security of Japan.

Sakigake supports the present government's view concerning the right of collective self-defense. In reviewing Japan-U.S. defense cooperation guidelines, the party will study what role Japan should play in cases of emergency in the areas surrounding Japan, by examining specific cases. If necessary, it will promote legal preparations.

Japan: Sakigake Leader Supports Military Land Use Legislation

OW1005083296 Tokyo KYODO in English 0745 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — The head of the smallest bloc in the tripartite ruling coalition, New Party Sakigake, voiced support Friday [10 May] for studying proposed legislation on granting the central government authority to force unwilling landowners to lease their plots to the U.S. military, party officials said.

Sakigake President Masayoshi Takemura, former finance minister, made the remark when he met at his office with Chief Cabinet Secretary Seiroku Kajiyama, chief of staff of Prime Minister Ryutaro Hashimoto's cabinet, they said.

Responding to Kajiyama's call to support such legislation, Takemura said, "thinking what may happen in may next year," when leases with thousands of unwilling landowners expire, "it is unavoidable for the government to begin studying the possibility of new legislation on land expropriation for bases."

The lease on a local landowner's lot in a Marine communications facility in Yomitan, Okinawa Prefecture, expired at the end of March, leaving the U.S. military's use of his land without any clear legal basis.

Okinawa Gov. Masahide Ota, who has the authority to order forced leases, refused to cooperate with the central government in extending the lease. Kajiyama and some other government and coalition members have been considering legislation to shift such authority to the central government.

Japan: Editorial Views Emergency Policy Study

OW0905131596 Naha RYUKYU SHIMPO in Japanese 5 May 96 Morning Edition p 5

[Editorial: "Emergency Policy Study Getting Started — Accelerated Moves for 'Conservative-Conservative' Tie-Up"]

[FBIS Translated Text] In line with "updating of the Japan-U.S. security arrangements" at the bilateral summit talks, the two nations decided to start a joint study on "emergencies in the Far East," and this is creating a stir in the political scene in Tokyo. Directions of security debates are drawing public attention because it may clarify disputed points for future political regrouping. Each political party is supposed to clearly show its stand on Japan's use of collective defensive rights.

Under the so-called 1955 political regime symbolized by confrontation between the Liberal Democratic Party [LDP] and the former Japan Socialist Party, each party's diplomatic stance was so clear because the political circles were clearly divided into those for or against the Japan-U.S. security treaty. However, the LDP, the Social Democratic Party [SDP], and New Party Sakigake organized a tripartite coalition after the multiparty coalition governments of Morihiro Hosokawa and Tsutomu Hata. Chairman Tomiichi Murayama of the "anti-security treaty" SDP suddenly supported the treaty as soon as he was inaugurated as the prime minister. After this, only the Japan Communist Party opposes the security treaty.

In Japan, security affairs have always been discussed in connection with the status of Article 9 of the Constitution on the ground of confrontation between the pro- and anti-Article 9 political groups. The tripartite coalition was organized by neglecting the ideological antagonism over the Constitution; however, even in the pro-security treaty government, the pro- and anti-Article 9 groups are beginning to confront each other following the government's decision to start an emergency policy study in exchange for U.S. concessions on the Okinawa bases issue. In a way, this is a consequence of a lack of policy coordination, but it could trigger a collapse of the coalition.

'Constitutional Framework' Becoming Invisible

Both pro- and anti-Article 9 groups held rallies marking the 3 May Constitution Day, and their discussions clarified conflicting points concerning use of collective defensive rights. The pro- Article 9 groups opposed Japan's use of collective defensive rights, saying it "goes against the concept of the peace constitution." While seeking a "revision of the Constitution," the anti-Article 9 group believes that it is possible for us "to use the collective self-defense rights even under the present Constitution." Thus, it suggests a "revision of constitutional interpretation." These groups are now split among both ruling and opposition parties, and it is becoming difficult for voters to pick specific parties to support.

The government often stresses defense cooperation "within the framework of the Constitution," but it has never clarified what definition of the framework. In the study of Far East emergencies, the government is going to touch on "Japan's roles in economic sanctions and sea blockage operations according to UN resolutions."

The government noted the study will be carried on without revising the present interpretation of the constitutional ban on Japan's use of collective defensive rights; however, we cannot fully trust it because the government has been expanding conditions for "dispatch of the Self-Defense Forces to overseas operations." We should notice our peace constitution is now under threat.

In response to such moves, the SDP, as a member of the coalition government, has stressed review of the Japan-U.S. defense cooperation guidelines would be discussed "within the constitutional framework," noting it would "make a grave decision if the coalition tries to allow the use of collective defense rights."

At this moment, the government and the coalition of the LDP, the SDP, and New Party Sakigake are all in accord on the "within the constitutional framework" principle; however, future debates on the extent of the "framework" may ruin the coalition ties. But the quality of coalition debates will depend on whether or not the SDP can keep its pro-Article 9 stance in the coalition.

Under such circumstances, the move toward a "conservative-conservative" alliance is rapidly becoming a new trend of political regrouping. New Frontier Party head Ichiro Ozawa has recently noted Japan's use of collective defense rights is constitutional, and this was welcomed by former Prime Minister Yasuhiro Nakasone of the LDP, who has been calling for a revision of the government's stand on the issue. The political stance of Ozawa is very close to that of Prime Minister Ryutaro Hashimoto and Chief Cabinet Secretary Seiroku Kajiyama — this is the common sense of Nagata-cho [Japanese political circles]. Political circles were shaken by Hashimoto's tete-a-tete talk with Ozawa on the Diet stalemate over liquidation of failed housing loan companies because it seemed like a definite move toward the "conservative-conservative" alliance.

LDP-Shinshinto Tie-up Becoming Likely

Of course, neither the LDP nor the New Frontier Party are united on the constitutional controversy since both have members who take prudent stances toward revising the interpretation of the Constitution. Yet, following the Japan-U.S. accord on discussing "emergency study" as a diplomatic subject, larger number of LDP and New Frontier Party members are openly calling for revision of the governmental position on the constitutional issues. Also, the new parties are beginning to seek a "conservative-conservative" tieup, and this is becoming an actual topic.

The next general election is supposed to be conducted under the new single-seat constituency election system. The single-seat constituency system tends to function in favor of larger political parties, and it has a shortcoming in picking up minority opinions. The SDP is attempting to form a new party to join forces to confront the LDP and New Frontier Party under the disadvantage, but all the SDP has done so far is make a minor change in its own name.

Many political commentators say, if the general election is conducted right now, the SDP would lose most seats by defeat to the LDP and New Frontier Party. If so, the postelection political scene may be require an LDP-New Frontier Party coalition, even though immediate reunification of the two parties is still unlikely.

In that case, the conservative coalition may further loosen the interpretation of the Constitution. Now that the general election can be held anytime, no political party has openly demanded "constitutional revision." Invisibility of policies is very dangerous. The public must have sharp vision to survive in the political fuzziness. Japan may repeat its wrongdoing in the past when the public lose critical power.

Japan: Chernomyrdin Tells Hashimoto Yeltsin Wants To Hold Poll

OW1005120196 Tokyo KYODO in English 1131 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Russian President Boris Yeltsin is determined to hold a presidential election on the originally scheduled date of June 16, Russian Prime Minister Viktor Chernomyrdin was quoted as saying Friday [10 May].

The Russian premier made the remark in a telephone conversation with Prime Minister Ryutaro Hashimoto, a Foreign Ministry official said.

Chernomyrdin's telephone call was meant to brush aside speculation that Yeltsin will postpone the poll, for which he will run for another term, as Russian Foreign Minister Yevgeny Primakov recently suggested.

Hashimoto told his Russian counterpart that Tokyo will continue to support Moscow's reform policy and voiced hope that bilateral relations will improve in line with mutual efforts to resolve the long-standing territorial dispute, the official said.

Hashimoto greeted Chernomyrdin when he visited Moscow in April to attend a nuclear safety summit of the Group of Seven economic powers along with Russia and Ukraine.

Tokyo Expected To Urge WTO To Strengthen Regional Unions Monitoring

OW1005024496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 May 96 Morning Edition p 3

[FBIS Translated Text] The government plans to propose to the World Trade Organization (WTO) that guidelines on strengthening monitoring "regional economic unions," such as the European Union (EU) and the North American Free Trade Agreement (NAFTA), should be worked out. By including such regulations as prohibition of tariff increases when a country is admitted into a regional union, the guidelines aim at preventing regional unions from being manipulated as a measure to shut out nonmember countries or regions. Under the situation in which moves toward forming regional unions have become active in the world, the proposal also aims at preventing Japan, which does not belong to any such union, from becoming isolated.

A regional union is a framework under which a number of countries sign a free trade agreement to promote liberalization, including such measures as tariff reduction. While it is effective for promoting trade within the region, on the other hand, it may become a protectionist union against countries outside the region.

When three countries, including Austria, joined the EU in 1995, tariffs were increased on certain items to ensure unification of the EU's common tariffs. Moreover, an antidumping tax (on inappropriate bargain sales) was automatically levied on products made in Japan, thereby causing troubles with such countries as Japan and the United States.

Concerning regional unions, it has been decided that the WTO will examine the framework after a free trade agreement has been signed. However, since there are no clear standards on which judgment can be made as to whether WTO regulations have been violated, it is of little effect to prevent regional unions from becoming protectionist. The government intends to propose drafting the guidelines at the first session of the WTO's regional trade agreement committee scheduled to open on 6 May.

The government intends to advocate that in addition to an item on prohibiting tariff increases, the guidelines should include various regulations to check 1) whether antidumping measures have been strengthened, and 2) whether the "place of origin regulation," used to certify where products are originally made, has been strengthened, thereby discriminating against countries outside the region. The regional trade agreement committee is supposed to examine regional unions on the basis of WTO regulations, and Japan intends to request the committee intensify its monitoring role by working out the guidelines.

In addition to the EU and other unions, regional unions have been expanded to developing countries, too. For instance, there is the Mercado Comun del Cono Sur (Mercosur). According to the International Trade and Industry Ministry, about 90 percent of the 119 countries and regions that are WTO members belong to some regional union, and only Japan and the ROK belong to none.

Japan: Brittan's Meeting With Farm Minister Ohara Canceled

OW1005044596 Tokyo KYODO in English 0210 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — A meeting scheduled for Friday [10 May] between Leon Brittan, vice president of the European Commission, and Agriculture, Forestry and Fisheries Minister Ichizo Ohara was canceled, government officials said.

It was due to "the circumstances in the Diet," they said.

Brittan is in Japan, together with some 20 business representatives from the European Union (EU), to exchange opinions with Japanese business leaders and government officials on such issues as semiconductor trade.

Japan: MOFA Releases 'Diplomatic Bluebook 1996'

OW1005054196 Tokyo KYODO in English 0225 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — A new world order began to take shape in 1995 as the international community struggled to paint a picture of the post-Cold War structure, a Ministry of Foreign Affairs [MOFA] report said Friday [10 May].

The "Diplomatic Bluebook 1996" stressed the importance of diversified diplomacy — as a blend of global, regional and bilateral cooperation — in strengthening and clarifying Japan's international role.

The ministry's annual report highlighted Japan's specific achievements in international cooperation in 1995.

They include efforts to revamp the United Nations, promotion of disarmament and nuclear nonproliferation, the demonstration of its leadership at the APEC high-level talks in Osaka, which was chaired by Japan, as well as enhanced bilateral relations with the United States and other countries.

The report also pointed to the need for Japan to establish greater mutual trust with other nations so as to play a greater international role.

Citing as a good example former Prime Minister Tomiichi Murayama's release last August of a statement commemorating the 50th anniversary of the end of World War II, it said Japan should squarely face up to the history of its past relations with other Asian nations.

In the statement, Murayama, who resigned and was succeeded by Ryutaro Hashimoto in January, attempted to offer an apology and remorse for Japan's wartime atrocities to its Asian neighbors.

The latest bluebook focused on progress in Japan's regional cooperation in the Asia-Pacific region, said a ministry official who briefed reporters.

Japan's cooperation in the area through the 18-member Asia-Pacific Economic Cooperation (APEC) forum and the ASEAN Regional Forum (ARF), the core of which is the seven-member Association of Southeast Asian Nations, will eventually lead to greater international stability and security, it said.

Turning to bilateral ties with the U.S., the annual paper observed that Japan renewed its determination last year to promote trans-Pacific cooperation toward the 21st century.

The diplomatic report lauded the reaffirmation of the Japan-U.S. Security regime, the initiation of stepped-up efforts to downsize U.S. military bases in Japan's southernmost island prefecture of Okinawa, and the settlement of automobile and civil aviation trade disputes.

"Japan-U.S. relations are the most fundamental and important relations in the post-Cold War era," the official said in admitting Tokyo gives the highest priority to its links with Washington.

On North Korea, considered to be a major destabilizing factor in East Asia, the bluebook said Japan, the U.S. and South Korea should work together to persuade it to open further and act as a full member of international society.

The bluebook reiterated Tokyo's position on the normalization of its relations with Pyongyang, saying its policy toward the north should be implemented to contribute to peace and stability on the Korean peninsula.

It referred to progress in international efforts to contain North Korea's alleged push for nuclear arms through the establishment of the Korean Peninsula Energy Development Organization, a consortium to help Pyongyang convert its nuclear program to peaceful purposes.

The report also said it is high time to reform the UN, especially its finances, its social and economic agendas, and the Security Council as the world body celebrated its 50th anniversary last year.

Japan has expressed its desire to be admitted into the Security Council as a permanent member so as to play a greater political role commensurate with its economic clout.

Tokyo, Bonn Scheduled To Hold Financial Talks

OW1005095296 Tokyo KYODO in English
0900 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan and Germany will hold vice ministerial-level talks on finance matters next Tuesday in Tokyo, the Ministry of Finance (MOF) said Friday [10 May].

During the meeting, the sixth of its kind since 1985, Japanese officials will seek Germany's understanding on Japan's efforts to recover global confidence in its financial system shaken by the bad-loan fiasco at seven failed housing loan companies, MOF officials said.

Japan will address its recent deregulation package on foreign exchange markets and a government scheme to liquidate the bankrupt mortgage firms with the use of taxpayers' money, the officials said.

Vice Finance Minister for International Affairs Takatoshi Kato will represent Japan at the talks, while Juergen Stark, state secretary of the Finance Ministry, will head the German delegation, they said.

Tokyo To Urge ASEAN Members To Submit Defense Papers

OW1005023596 Tokyo SANKEI SHIMBUN
in Japanese 6 May 96 Morning Edition p 2

[FBIS Translated Text] On 5 May, the government decided that at a meeting of senior working-level officials of the ASEAN Regional Forum (ARF) to be held in Jogjakarta, Indonesia, starting 10 May, it would propose that ASEAN members regularly submit documents on their defense policies to promote confidence-building in the region. If this proposal is accepted, it will help further increase the transparency of each country's defense policy and make preventive diplomacy more effective. The government has made preparations for Foreign Minister Yukihiko Ikeda to officially make the proposal at an ARF ministerial meeting slated for July.

The planned working-level talks in Indonesia is the third such meeting this year. Since the ARF's 1994 inauguration, the working-level talks have been held in parallel with ministerial meetings, and Japan has dispatched deputy foreign vice ministers to the talks. Behind the government's decision to make the proposal lies its growing concern over the arms expansion race among economically expanding Southeast Asian countries.

By making the proposal, the government also hopes to clarify its stand that "it is imperative for ASEAN nations to make their defense policies transparent to promote confidence-building" (according to a Foreign Ministry source). In the past, ASEAN nations reached an agreement on voluntary submission of defense papers. However, because of their differing domestic conditions and intentions, they failed to carry it out.

In the future, Japan intends to urge ASEAN nations to work out defense white papers. However, because of fear that some may oppose the call, it has decided for now to ask them to regularly submit defense papers, which are a near equivalent of defense white papers.

The number of countries that hope to gain ARF membership is increasing; India, Britain, and France are among such countries. At the upcoming meeting in Indonesia, Japan will state that it opposes increasing ARF membership for the time being, saying: "Top priority should be given to putting the ARF on the right track under the current structure" (according to the same Foreign Ministry source).

In the future, Japan will demand the following qualifications for ARF membership: 1) A country hoping to become a member should be capable of exerting a favorable influence on security in the Asia-Pacific region; and 2) it should be in accord with the ARF principle of promoting confidence-building.

Japan: Defense Research Center Chief on Regional Unrest

OW1005080096 Tokyo DRC in Japanese May 96 pp 2-3

[Lead article by Ko Maruyama, chairman, Defense Research Center [DRC]. Originally titled "Thoughts on Situation Nearby." Dated 29 February 1996]

[FBIS Translated Text] My last essay in this column turned out to be a major failure. Just when I was finishing writing it, former South Korean President No Tae-u was arrested; I jumped to the conclusion that President Kim Yong-sam would not be able to escape the imbroglio unscathed. But that was because I could only see the surface of the affair. Shortly after that another former president, Chon Tu-hwan, was also marked for prosecution for accumulation of illegal funds, involvement in the coup d'etat of 1979 that brought the military to power, and his alleged role in the abuse of military force during 1980's Kwangju Incident. It soon became clear that the series of dramatic arrests was being systematically conducted at the direct orders of Kim Yong-sam. Those illegal activities did not take place on an isolated, sporadic basis. This way of doing things has been the rule since the days of former President Pak Chong-hui. The true aim of the current wave of arrests appears to be to break the series of military regimes centered on classmates from the Army's Military Academy and natives of Kyongsang Province. On the other hand, the position of Kim Chong-il in North Korea has not been formally confirmed. There have been reports of social unrest due to food shortages. Our nation, as a neighbor of South Korea, is extremely interested in how these questions will be settled. In any event, recent changes in international conditions have been extremely fluid. Consequently, responding appropriately to each development appears difficult. The rape of a schoolgirl by U.S. servicemen stationed in Okinawa led to the demand by Okinawa's governor for a reduction in the size of U.S. military installations in that prefecture. Its repercussions have also created problems in regards to the very foundation of the Japan-U.S. security arrangement. On the other hand, when Tomiichi Murayama was prime minister, the Social Democratic Party of Japan declared for the first time their recognition of the need for the Japan-U.S. Security Treaty. The party also recognized as constitutional the existence of the Self-Defense Forces [SDF]. However, we cannot but have the impression that the present [Hashimoto] administration, as the direct successor of the previous [Murayama] one is still not doing enough to explain to the Japanese people the necessity of the Japan-U.S. security arrangement. For example, when it comes to the goal established by Okinawa Governor Ota, the complete elimination of U.S. military bases in Okinawa by the year 2015, this is clearly a case of putting the cart before the horse. Bases are established in line with plans for deployment of troops. That is the consideration from which they derive their value of existence. It is not a question of whether or not the bases should exist in their own right. Consequently, only after we have thoroughly considered the outlook for future conditions in the Far East and drawn up Japan-U.S. joint security policies to respond to them should we address the question of whether or not the bases should continue to exist. At the same time I do not think we can ignore the distorted way in which things have been handled in the past, with the bulk of the U.S. bases being concentrated in Okinawa. It naturally follows that the Japanese government should hold talks with the U.S. military authorities on their redistribution. Nevertheless, the government as a whole should also consider comprehensive policies for Okinawa in general, not just when it comes to the U.S. military bases. That is to say, these are problems that simply cannot be solved by the Defense Facilities Administration Agency and Okinawa Development Agency alone. Moreover, it is not enough for the government to state merely that the Japan-U.S. security arrangement is necessary. We would hope that it would make greater efforts to spell out for the nation's people exactly why it is essential. Negotiations on the United Nations Convention on the Law of the Sea continued for a long time— from the time I was still working in the government. Finally, it has reached the stage where the Diet is considering ratification. The new treaty would introduce various new elements into international law, such as the recognition of "international straits" and "exclusive economic zones" extending 200 nautical miles from a nation's shores.

However, the adoption of the Law of the Sea is leading to the resurfacing of problems related to sovereignty over islands involving Japan and some of its neighbors, including China and South Korea, which had previously been placed on the shelf. At present, Japan and Russia are in a standoff over the question of sovereignty over the four Northern Islands. Then there is the dispute between Japan and South Korea over sovereignty over Takeshima. At the time that they concluded their bilateral treaty, Japan and South Korea agreed to shelve this problem for the time being.

Nevertheless, Japan has not modified its position that Takeshima has been part of Japan throughout history.

As to whether after the Law of the Sea is implemented the boundaries demarcating the exclusive economic zones of the two countries will have Takeshima within Japan's zone or within South Korean waters, we need to remember that modern nation states should coolly dispose of such issues. Be that as it may, the South Korean side has already deployed military forces on Takeshima and is now constructing a docking area there. Then there was the case of the large-scale military exercises related to the defense of the island announced for the near future by the South Korean government that followed upon the abnormal reaction among the South Korean public to Foreign Minister Yukihiko Ikeda's statement of Japan's position. Is this not a classic case of doing something directly in opposition to "confidence building measures"? When it comes to China, there is also the question of sovereignty over the Senkaku Islands. At the time that the two countries signed the Japan-China Treaty of Peace and Friendship, Deng Xiaoping put the issue on hold with the simple statement, "Resolution of this issue can be left for the days of our posterity." Even so, China reportedly has been conducting exploratory searches for oil on the continental shelf near these islands. In this connection, we should be aware that China is now in the process of changing from a net oil exporter to a net oil importer. Consequently, the question of the preservation of its natural resources has become very important for China. As with the case of the Spratly Islands, when it comes to the Senkakus, we can expect the Chinese to be ready to use a great deal of muscle in the territorial disputes. For that reason, we will have to keep a careful eye on the situation in the days to come. We have also recently witnessed the public election of the president and other high officials in the Republic of China (Taiwan). This has led the government in Beijing to become very alarmed about what it perceives as a trend in Taiwan towards independence from the mainland. It has even announced that if worst comes to worst it will employ military force against Taiwan, and since last year has repeatedly held amphibious landing exercises and other military training. China continues to stand by its assertion of a "one China" policy along with its stance that come what may the Taiwan question is a domestic issue for the Chinese to solve themselves. However, if the two sides are not able to work out a means for achieving peaceful reunification, and the mainland authorities resort to armed force or other coercive measures, without a doubt that will have a major impact on stability in the East Asian region. The United States is now providing Taiwan with assistance in the form of new military equipment in order to help it acquire the military might to meet any challenge of illegitimate attack from outside. In addition, during the recent crisis the U.S. Government dispatched aircraft carriers to the Taiwan Straits and took other measures as a clear warning against reckless actions on the part of China. Of course, China is now in the process of economic construction. Its leaders are busy consolidating the post-Deng regime. Therefore, fundamentally its leaders wish to see peace maintained. I believe that situation acts as a very powerful deterrent to the eruption of conflicts in the region. Nevertheless, our nation must prepare plans to respond to emergency situations.

Japan: Tokyo Renews Territorial Claims to Takeshima, Senkaku

OW1005143396 Tokyo KYODO in English 1424 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Prime Minister Ryutaro Hashimoto on Friday [10 May] renewed Japanese territorial claims to a disputed group of islets in the Sea of Japan and another in the East China Sea.

Hashimoto told the Diet that Japan's position on the disputed Takeshima islets, also claimed by South Korea where the islets are known as Tokto, has been consistent.

"Japan will continue diplomatic efforts to resolve (the dispute) peacefully," the premier said.

As for the Senkaku Islands, known as Diaoyu in China, Hashimoto said the islands are "indigenous to our nation, and no territorial dispute over the islands exists."

The islands are also claimed by China and Taiwan.

Japan: Senior DPRK Official Willing To Send Mission to Tokyo

OW0905122196 Tokyo ASAHI SHIMBUN in Japanese 9 May 96 Morning Edition p 2

[FBIS Translated Text] Yi Chong-hyok, vice chairman of the DPRK (North Korean) Asia-Pacific Peace Committee, gave an interview to ASAHI SHIMBUN and other press at Narita International Airport on 8 May on his way home from the United States. In the interview, he indicated that the DPRK will give positive consideration to Japan's invitation, and that it is ready to send its delegation to Japan. At the same time, he hinted at improvement in the Japan-DPRK consultations on resumption of the normalization talks that have been suspended since November 1992.

Regarding the possibility of North Korea sending a delegation to Japan, Yi said: "During my visit to the United States, Japan extended an invitation. However, we have not yet decided when to send the mission."

In this way, he revealed that North Korea is positively studying the schedule of a visit with a mind to the Social Democratic Party's formal invitation. As for the question of whether or not Workers Party of Korea Secretary Kim Yong-sun, an official in charge of negotiations with Japan, will join the mission to Japan, he did not deny the possibility, saying, "We have not decided mission members yet."

Asked about the fact that officials from the Japanese and North Korean Governments contacted each other in late April following the one in mid March, he said, "I have not been informed of this but it (making contact) is possible." He thus gave his view that closed-door consultations are underway between the two governments in an effort to resume the normalization talks.

Regarding an informed source's comment that in his visit to the United States, Yi had asked the United States for emergency rice aid, he merely said, "I visited there only to attend a scientific conference." Reportedly, Secretary Kim Chong-il will assume office as president after the third anniversary of late President Kim Il-song's death in July next year. As for this, he denied it, saying, "It is groundless."

Vice Chairman Yi, who is close to Secretary Kim Yong-sun, represented North Korea at the consultation with Japan held last year over the rice assistance issue.

Japan: Article Cautions Against Contacts With DPRK

OW0905141496 Tokyo SAPIO in Japanese 8 May 96 pp 96-99

[Article by international political commentator Nobuhiko Ochiai: "Names of Politicians Ruining Japan by Extending Hands to Emissaries From the DPRK, Which Is Committing 'State Crimes'"]

[FBIS Translated Text] It was the night on 6 April at Narita Airport. Three men disembarked from All Nippon Airways Flight 906, which landed at 2000 from Beijing. They held yellow-soil colored DPRK passports. Joined by two men welcoming them at the arrival gate, they stealthily hurried by car to the Narita ANA Hotel.

The trio were Kang Chong-hun, vice-chief of the Japan Section in the International Department of the Central Committee of the DPRK Workers' Party; Whang Chol, a sub-section chief of the same section; and Li Tong-su, a standing researcher at the DPRK Committee for the Promotion of External Economic Cooperation. They frequent the stage of the DPRK's "Japan workshop." Their "ostensible" purpose of visiting Japan was to hold familiarization talks with a private organization in Aichi Prefecture that seeks rapprochement between Japan and the DPRK. There naturally was, however, "a hidden purpose of the visit."

Arriving at 1300 on 10 April at the headquarters building of the Liberal Democratic Party [LDP], they sat in the room called Liberty to meet and talk with Hiromu Nonaka, acting LDP secretary general, and members of the House of Representatives Toichiro Kuno and Yoichi Tani. The DPRK side at this meeting requested the third in a series of rice assistance deliveries on the heels of last year's assistance. They also handed Nonaka a personal letter from Kim Yong-sun, the closest associate of the DPRK's supreme man of power Kim Chong-il, and entrusted Nonaka with personal letters addressed to Prime Minister Ryutaro Hashimoto, LDP Secretary General Koichi Kato, LDP's chairman of the Policy Research Council Taku Yamasaki, and former Prime Minister Noboru Takeshita. On the following day they contacted Diet members from New Party Sakigake and the Social Democratic Party [SDP], to request rice assistance once again.

Their "real purpose of the visit" was not limited to such "begging for rice." Their foremost purpose was intended to stage a "clandestine maneuver" for the resumption of normalization talks between Japan and the DPRK, which have been suspended since November 1992. Supposedly, the personal letters sent to the politicians had certainly contained such contents.

In concert with such a "love-call" from the DPRK side, the Japanese side responded with moves in an unusual flurry. In the middle of March, Hiroo Bessho, chief of the Northeast Asia Division of the Foreign Ministry's Asian Affairs Bureau, had a top secret contact in Beijing with a high-ranking official of the DPRK. It was a preliminary negotiation for the resumption of the normalization talks. Likewise, this year has seen from its start frequent contacts in secrecy have been made between Japan and the DPRK, involving the Foreign Ministry with certain politicians in the center.

Virgin Land-Like "DPRK-related Interests?"

Japan is the "savior," second to none for the DPRK, which is already in the final phase on the verge of a downfall due to the failure of its domestic economy, further aggravated by an onslaught of floods. They were earnestly seeking an enormous amount of money as soon as possible, which could be obtained in the name of "postwar compensation" by diplomatic normalization.

On the Japanese side, in the meantime, are those who run at the mouth in anticipation of mammoth "interests" to be brought about by rapprochement with the DPRK. It cannot be helped that politicians who have recently contacted the DPRK "emissaries" and Koichi Kato and so forth — who have shown favor to the DPRK by providing the first and second rice assistance shipments to that country — will be regarded as representatives of such people.

As I mentioned earlier, the normalization of relations will mean the flow of an enormous amount of money from Japan to the DPRK. The "postwar compensation" is reported to amount to somewhere around $6 billion and there is additional ODA (government assistance for development). In their minds are ideas of how to get hold of such money-involved interests.

For example, they can make a fortune by introducing general contractors when economic development projects are launched in the DPRK with Japanese money. They can see a multitude of sources of interests in the "North Korean market," which is kept untouched like a virgin land by long years of national isolation.

On top of it, they want to win "fame" as politicians who have contributed to the normalization of Japan-DPRK relations. Their ardent wish is to record their names in history. Plus it may distract people's attention from the jusen problem.

These politicians, who are extending helping hands to the present DPRK regime because of their being blinded by such interests or fame (rather "notorious fame" in my opinion), may be branded as "men doing ruinous harms to their country."

Today's North Korea cannot be regarded as a nation that engages in diplomatic negotiations in a sound and sane manner, because it no longer holds the air and dignity of a state of nation.

DPRK Diplomats Reportedly Engaged in "Narcotics Trafficking," "Underwear Sales"

On 24 March, Yoshizo Tanaka, a culprit of the hijackers of Japan Airline plane "Yodo" in 1970, was arrested on charges of possessing counterfeit U.S. currency while accompanying DPRK diplomats. North Korea's involvement in the crime is apparent. But it is not surprising at all because the "counterfeit money business" is one of the DPRK's means to earn valuable foreign currency. So far, DPRK diplomats are on record for being arrested or expelled on charges of possessing counterfeit money in Libya in 1985, Egypt in 1992, and Macao and Russia in 1994.

According to Kang Myong-do, DPRK Prime Minister Kang Song-san's son-in-law who took political asylum in the ROK, one of the buildings that belongs to the Workers' Party in Pyongyang accommodates a counterfeit money manufacturing plant turning out counterfeit money, particularly U.S. bills. This counterfeit money is taken out of the country by diplomats and exchanged for genuine ones in black markets abroad.

Illicit activities are not limited to the counterfeit money business. In 1974 Kil Chae-kyong, the DPRK Ambassador to Sweden, was arrested on charges of narcotics trafficking and a man possessing a DPRK diplomatic passport was picked up on charges of possessing opium in China last year. This "narcotics business" is an important "industry" for North Korea. Defectors have testified that the DPRK Government by itself controls management of poppy fields in northern highlands and conducts opium refining, too.

In addition, DPRK diplomats are engaged in earning foreign currency by smuggling anything that can make money; for example, diamonds and sapphires in Zaire and ivory in Zambia.

Foreign currencies thus earned are sent to their home country to become "loyalty contributions" to Kim Chong-il.

A quota seems to be set up by country. The DPRK diplomat assigned to Thailand must have lacked the business ability to fulfill his quota and was reported to have made small money by diligently selling underwear for ladies in Bangladesh.

Diplomats are supposed to be elites among the elites. They are transformed into narcotics dealers or ivory smugglers, on top of the fact that insufficient money is sent to them from home.

In April, an employee of a Kobe firm associated with Chosen Soren [Korean Residents Association in Japan loyal to the DPRK] was arrested on charges of smuggling contraband chemicals that can be turned into lethal sarin gas to North Korea. No doubt these chemicals are intended for the manufacturing of chemical weapons, which the DPRK is seriously working to develop. In 1994 a DPRK diplomat was discovered to have acquired components of nuclear weapons in Russia and was given a deportation order.

There cannot be a more appropriate description for these acts than "crimes committed by a nation."

A Strange Enough "Democratic" Nation

The DPRK commits crimes not only outside the country. Grave crimes committed within the country are infringements upon human rights. To me, the name of the country "The Democratic People's Republic of Korea" sounds like a poor, macabre joke.

Where in the world is a "democratic" country that sends people who express dissatisfaction with the government to detention camps? Nearly 200,000 people are on the verge of death at 12 "forced detention camps." The detainees are only fed a small quantity of corn and acorn-paste soup. Unable to withstand hunger, they are said to eat field mice and earthworms to supplement their insufficient nutrition.

Ordinary citizens outside the detention camps are classified into such status of origin as hard-core, unstable, and hostile classes. They are not even allowed to choose profession by individual efforts or abilities. Moreover, they cannot move to neighboring towns or villages without permission of the Social Security Department.

There cannot be a "democratic" country stranger than this.

It is a flabbergasting surprise to find some politicians have a mentality to carry out sincere diplomatic negotiations with a country like that.

What on earth has happened to the case of "Lee Un-hae" (who was reported to have been kidnapped from Japan and later became the Japanese language instructor of Kim Hyon-hui, an accomplice in the bombing of a Korean airliner in 1987) on which Japan was determined not to compromise at the cost of rupturing the normalization talks in 1992. According to what had been reported, Japan and the DPRK at the government level have already agreed that such cases as "Lee Un- hae" and "suspected nuclear development projects" will not be taken up as issues when the normalization negotiations resume.

China Petrified by Remarks of Kim Chong-il's Son

The days of this "criminal country" are numbered, to the regret of those politicians making allout efforts to get hold of interests against principle and rules.

One of the final resorts was seen in the DPRK's provocative acts repeatedly committed in the demilitarized zone. On 4 April, the DPRK made a one-sided announcement that it would not carry out its duty under the armistice agreement concerning maintenance and control of the demilitarized zone. From 5 April the DPRK has continued to intimidate the ROK by moving armed soldiers and heavy firearms including mortars into the Joint Security Area jointly controlled with the ROK.

In response, the ROK Army chief of staff issued an order to shoot to kill at the moment any North Korean soldiers cross the border into the South. The conventional rules had been that an engagement will take place only when warning shots into the air are not heeded. The latest order has eliminated that preliminary step.

There have been a few small skirmishes along the border. But an exchange of shots has come to cease when both sides sensed they were not serious. Now, nobody can assure that they will continue to have such "luck." Many North Korean soldiers are reported to have such a desperate way of thinking that "if the hunger situation does not change, it is better to have a war" so that they "may be able to get access to food by becoming a prisoner of war."

Those who want a war to break out are not confined to such soldiers. An informed source revealed that Kim Kwang-chin, first vice-minister of the People's Armed Forces Ministry, made two visits to Beijing with Kim Chong-nam, Kim Chong- il's first son, from the year's end of 1995 to the beginning of this year. They were reported to have proudly said, "If we start a war now, we absolutely can win over the ROK military. We have poured 25 percent of the GNP into the armed forces."

The Chinese side was indeed petrified at their remarks and was reported to have said after the pair returned, "They are really insane" and added, "We cannot go along with them any more."

Even if they succeeded in capturing Seoul by launching a surprise attack, they cannot keep on winning with obsolete tanks and artillery that were manufactured in the former Soviet Union days. The sense of the "Kim's Kingdom" has been completely paralyzed.

"A Certain Bet" Between Foreign Minister Qian Qichen and U.S. Congressman

Recently, General Gary E. Luck, commanding general of the U.S. Forces in Korea, told the Congress, "The problem is when and in what way North Korea is going to collapse." It is no longer a question of "whether," but is in a question of "when and how." Under this recognition, the United States has worked out, in a concrete manner, the simulated collapse of North Korea, and appropriate countermeasures.

In the same manner as the United States, China, North Korea's only ally, also thinks that North Korea will collapse in a matter of time.

A friend of mine close to Chinese informed sources told me this story of a U.S. member of the House of Representatives, also a member of a U.S. intelligence committee, who visited Beijing at the end of last year.

Foreign Minister Qian Qichen and the U.S. representative had dinner together. Topics of their conversation extended to North Korea. The two men decided to bet on "whether North Korea will disintegrate."

The U.S. representative bet $100 on "within one year it will collapse." And Qian bet $100 on "it may withstand for two years." This meant that whether it would collapse or not was not even the subject of the bet.

As a matter of fact, China has dispatched a large number of troops near the China-DPRK border, in anticipation of a deluge of refugees when North Korea collapses. In contrast with foreign countries that have been moving with an eye beyond the "collapse of Kim's Kingdom," the Japanese politicians who are making efforts to normalize the relations between the two countries look more than extraordinary.

It has to be clearly understood that a system like that of North Korea has no ground to survive with the approach of the 21st century. When a democratic political system is set up in North Korea, the North Koreans under the new order will have a grudge against Japan if it continues to pursue unprincipled diplomacy to seek interests there. They will no doubt rebuke Japan, "You have sent money and goods to sustain the Kim Chong-il order."

Helping hands must not be extended to the present DPRK regime, but to the suppressed people suffering under the brutal order of oppression. Were these "political merchants" thinking that it is all right to ignore such people for their interest in chances of gaining fame and fortune?

In relation to North Korean matters, absolutely no principles or rules can be distorted. I want to make such an appeal to the "politicians" in the strongest possible terms.

Tokyo, Seoul Reaffirm Need for New Fishery Accord

OW1005092196 Tokyo KYODO in English 0841 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan and South Korea reaffirmed the need Friday [10 May] to conclude new bilateral fishing arrangements in connection with the U.N. Convention on the Law of the Sea, a Foreign Ministry official said.

In bilateral talks in Tokyo on Thursday and Friday, Japan told South Korea of strong domestic political and private-sector demands for early conclusion of a new fishing treaty that will replace the 1965 fishery pact, the official said.

Japan is expected to ratify the U.N. Convention in the current Diet session, which closes June 19. South Korea ratified the treaty in January.

The two countries had earlier agreed not to link the fishery negotiations to a territorial row over a group of small islands in the sea of Japan, known in Japanese as Takeshima and in Korean as Tokto.

The U.N. Convention allows countries to declare a 200 nautical-mile exclusive economic zone for fishing and other rights. A Japanese zone to be declared in line with the treaty would cover Takeshima, plus a chain of disputed islands claimed by China.

The official said the latest session did not touch on the question of sovereignty over the islets in the Sea of Japan. Neither did the two sides go into specifics about things such as ways to tighten control of fishing boats.

Under the existing fishing pact, each country is allowed to control its own boats. Japan wants to revise the agreement to allow the two countries to control the vessels of both sides.

Tokyo Considers Taiwan 'Renegade Province,' Says Kato

OW0905125496 Tokyo KYODO in English 1212 GMT 9 May 96

[FBIS Transcribed Text] Tokyo, May 9 KYODO — A Liberal Democratic Party (LDP) leader turned down a request Thursday [9 May] from a visiting Taiwanese opposition leader to support his pro-independence campaign and instead reiterated Japan's view that Taiwan is a renegade province of China, LDP officials said.

LDP Secretary General Koichi Kato told Shih Ming-teh, former chairman of the Democratic Progressive Party (DPP), that Japan considers Beijing the legitimate government of China, the officials said.

Kato made the remark after Shih visited the headquarters of the LDP, the largest member of the three-party ruling coalition, and asked for Kato's understanding of the DPP's hopes for Taiwan's independence, they said.

Shih said he appreciates Kato's critical stance toward the series of missile tests China conducted near Taiwan in March ahead of the island's first direct presidential election.

Japan switched its diplomatic recognition from Taipei to Beijing in 1972.

Japan: Taiwan Economics Minister Arrives for Four-Day Visit

OW0905154396 Taipei CNA in English 1451 GMT 9 May 96

[By Maubo Chang; received via Internet]

[FBIS Transcribed Text] Tokyo, May 9 (CNA) — ROC [Republic of China] Minister of Economic Affairs P.K.

Chiang arrived here from Washington on Thursday [9 May] for a four-day visit.

Chiang told reporters from Taiwan-based media after his arrival that he came to Japan to boost the morale of a Taiwan investment promotion team that opened a trade fair on Thursday at the Tokyo hotel in which Chiang will stay.

The trade fair, aimed at stimulating Japanese investment in and technology transfer to Taiwan, is the seventh of its kind that the ROC has held in Japan.

Chiang said that he hopes his meeting with Japanese businessmen will contribute to the success of the fair and assist in the upgrading of Taiwan's technology.

He is scheduled to give a speech on Friday to Japan's biggest economic group, the Keidanren, or Federation of Economic Organizations.

Chiang will leave Tokyo and fly on to Indonesia on Sunday.

Japan: Former Taiwan DPP Head Meets LDP Secretary General

OW1005101096 (Internet) Taiwanese Central News Agency WWW in English 0905 GMT 10 May 96

[By Victor Lai & Elizabeth Hsu]

[FBIS Transcribed Text] Tokyo, May 9 (CNA) — Shih Ming-te, a former chairman of Taiwan's opposition Democratic Progressive Party (DPP), met with Koichi Kato, Secretary-General of the Liberal Democratic Party (LDP), the main force of Japan's ruling coalition, Thursday [9 May] for wide-ranging talks.

During the meeting, Shih, also an ROC [Republic of China] legislator, briefed Kato on the DPP's basic party policy and platform. He also stressed the importance of Taiwan's security to the stability and prosperity of the entire East Asian area.

Shih suggested that Japan legislate a "Japan-Taiwan Relations Act" to legalize its relations with Taiwan in the absence of official ties between the two countries. The United States, for instance, enacted a "Taiwan Relations Act" in 1979 after it switched diplomatic recognition to Beijing.

For his part, Kato told Shih that Japan has not changed its policy of recognizing the People's Republic of China [ROC] as the sole legal government of China.

However, Kato said Japan was critical of Beijing's recent intimidating missile firings and war games at Taiwan's doorstep. "We have informed Beijing of our opposition to such provocative actions," he added.

Shih, head of a DPP delegation, arrived in Tokyo Wednesday for a six-day visit aimed at promoting Taiwan-Japan security cooperation.

The group dined with influential figures in Japan's opposition New Frontier Party and Sakigake Party Thursday, and will meet with other Japanese politicians and scholars over the next few days.

Japan: EPA Says Economy Continuing on Recovery Track

OW1005011496 Tokyo KYODO in English 0012 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan's economy is continuing on a mild recovery track, with good signs seen in corporate investment and housing construction, the Economic Planning Agency (EPA) said Friday [10 May] in a monthly report for May.

It was the fourth month in a row that the agency used the term "recovery" in its monthly assessment of the national economy.

An EPA official said, however, the agency has not changed its view that the economy's recovery is mild. "It is not yet full-fledged, although things are moving in a better direction," he said.

Slight signs of improvement can be seen in individual consumption and employment, the official said.

"The environment for consumption looks better, with people apparently feeling more optimistic amid a slight wage increase," he said.

Sales at supermarkets nationwide in March grew 2.6 percent from a year earlier, while department stores sales increased a year-on-year 4.6 percent, the report said.

In describing individual consumption, the report said it is on a "mild" recovery trend, instead of "extremely mild" as described in the previous report for April.

As for employment, the report said there are "signs of improvement in some areas," in reference to March's 1.2 percent increase from the year before in the number of employed people.

However, young people are still finding it difficult to get jobs, and the nation's unemployment rate, although continuing to fall from its record high of 3.4 percent, was still at a high 3.1 percent in March, the official said.

The report also noted that industrial production is generally picking up mildly although the output posted a 4.3 percent year-on-year decline in March.

The official noted that the March drop was less than the anticipated 5.7 percent decline and that the output was 1.3 percent higher in the January-March quarter this year than the preceding three months.

It remains to be seen whether the industrial production index will manage to rise above 100 in the coming months, against the 1990 base of 100, for the first time since the 101.2 reading in November 1991, he said.

Japan: Keidanren's Toyoda Comments on Relocating Government

OW1005080496 (Internet) Keidanren WWW in English 2 May 96

[Article by Keidanren Chairman Shoichiro Toyoda: "Relocating Government; Getting Administrative Reform Rolling" — from the "What's New" link]

[FBIS Transcribed Text] Japanese are working to build a new economic society that encourages people to take responsibility for their own actions, promotes creativity, and enables them to express their individuality. To foster that kind of society, they are tackling such challenges as promoting deregulation, devolving power to local governments, reforming the bureaucracy, and creating a whole new social infrastructure. All of those reforms are interconnected. We must promote them collectively and organically.

Relocating government is an important start for reform. People have been talking about moving the capital for a long time. But talk has centered on the problem of overcrowding and on the need for disaster preparedness. Both of those concerns are important issues. But relocation has a value far beyond those concerns. It can be a proactive means of structurally reforming the Japanese economy. In fact, it can be the catalyst to revitalize the very spirit of the nation.

That is why we at Keidanren have made relocating government and decentralizing power the two pillars of our Program 2010, a project for reworking the fabric of the nation. That project is part of our long-range vision — A More Appealing Japan, Responsibility for Reform.

Japan's parliament, the Diet, is taking up the issue too. Last year, a Diet committee completed a final report on relocating the capital. In the current session, the Diet will take up a bill to set up the necessary apparatus to survey possible locations and select the best candidates. That opens the way to making the move a reality. And the spirit is catching on outside the halls of parliament. Symposiums are taking place throughout Japan to inform citizens of the benefits of reform.

We need to let people know in convincing and easy-to-understand terms how reform will better their way of life. Relocating national government functions is a perfect place to start, as it involves concrete and visible changes.

We at Keidanren are stepping up efforts to make our vision a reality. In that spirit, we continue to push for government relocation. At the same time, we will make the most of that opportunity to promote further governmental reform.

Japan: Budget Passes Without Resolution To Reduce 'Jusen' Burden

OW1005084796 Tokyo KYODO in English 0748 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan's parliament Friday [10 May] approved a 75.1 trillion yen budget for fiscal 1996 that includes a controversial outlay of 685 billion yen for a scheme to liquidate seven failed "jusen" housing loan companies.

However, ruling coalition and opposition party members of the House of Councillors, the upper house of the Diet, failed to adopt a resolution calling for efforts to reduce the burden of taxpayers by eventually offsetting the 685 billion yen in spending.

At its plenary session in the morning, the upper house passed the budget for the fiscal year started April 1 by a majority vote of the three ruling coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake.

Of votes cast in the 252-seat upper house, 145 voted for the budget while 99 voted against.

Ahead of voting, amendments presented by opposition parties to eliminate the 685 billion yen allocation were rejected by a majority vote of the ruling coalition.

The upper house was originally scheduled to take a vote in Thursday's plenary session after its budget committee passed the budget earlier in the day.

But the second chamber was forced to carry the session over to Friday due to stalled talks between the ruling and opposition camps over the wording of the planned liquidation resolution.

Although the two sides continued negotiations until Friday afternoon, they were unable to narrow their difference on the issue and gave up adopting the resolution.

The main opposition party Shinshinto (New Frontier Party) called for a clear commitment in the resolution to eventually kill the spending for the liquidation scheme.

The ruling coalition parties, however, rejected the request, fearing such an expression could hamper the scheme itself.

The size of the fiscal 1996 budget is 5.8 percent larger than expenditures in the previous year, marking the highest growth in five years to help stimulate Japan's economy.

Underscoring Japan's worsening fiscal condition, however, the budget calls for issuance of a record 21 trillion yen worth of government bonds, including about 12 trillion yen in deficit-financing bonds, also a record high.

The fiscal 1996 budget cleared the more powerful lower house, the House of Representatives, a month earlier.

Before voting on the budget in the lower house, the ruling and opposition parties reached a vague compromise calling for use of the 685 billion yen after a "framework" is put into place for the liquidation system.

Previous haggling over the jusen issue had forced the government to compile a 11.6 trillion yen provisional budget to cover the first day 50 days of fiscal 1996.

Even without any vote in the upper house, the fiscal 1996 budget was set to automatically become law by the end of Friday.

Japan's constitution stipulates that if the upper house fails to act on the budget in 30 days, the lower house's decision shall be the diet's decision.

With the Diet approval of the fiscal 1996 budget, the focus of parliamentary debate has shifted to bills related to the liquidation scheme and the issue of private financial institutions shouldering more of the liquidation costs.

The enactment of the bills, including legislation to create a new organization to take over problem loans from the mortgage companies for their recovery, are necessary to set up the "framework" for the liquidation system, political observers said.

Amid strong criticism from taxpayers of the publicly funded liquidation scheme, calls are mounting for banks that created the housing loan companies and other creditor institutions to shoulder more of the financial burdens of liquidating the mortgage companies.

Since the opposition camp is expected to strongly resist the enactment of the bills related to the liquidation scheme, it is almost certain that the ruling coalition will be forced to extend the current Diet session which ends on June 19, parliamentary sources said.

Japan: Business Leaders Welcome Enactment of Budget

OW1005050396 Tokyo KYODO in English 0311 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Japan's business leaders welcomed the enactment of the fiscal 1996 budget Friday [10 May], and urged the Diet to focus now on deliberations of four finance-related bills.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry (Nissho), said, "I hope the government will swiftly implement the budget and make the economic recovery solid."

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said, "the financial bills should be approved as soon as possible," referring to four bills aimed at stabilizing the nation's financial system.

Jiro Ushio, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), echoed Toyoda and added, "in order to ensure economic recovery, rebuilding confidence in the Japanese financial system is vital."

The 75.1 trillion yen budget for fiscal 1996, which began April 1, was approved at a House of Councillors plenary session Friday. The budget includes a controversial 685 billion yen allocation for a liquidation scheme for seven moribund housing loan companies, known as "jusen."

Japan's economy has been on a mild recovery trend, but business leaders see the momentum as still too weak. Resolving the "jusen" problem and disposing of bad loans in the financial system are crucial tasks to ensure the economic recovery, they say.

Jiro Nemoto, president of the Japan Federation of Employers Association (Nikkeiren), said, "it is an immediate need to bring back stability in the financial system, based on the principle of protecting depositors' benefits."

Japan: Panel Heads Expected To Meet on Fiscal Reconstruction

OW1005045996 Tokyo KYODO in English 0350 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — The heads of four government advisory panels will meet as early as next week to discuss ways of reconstructing Japan's strained fiscal condition, Finance Minister Wataru Kubo said Friday [10 May].

Prime Minister Ryutaro Hashimoto, Economic Planning Agency Chief Shusei Tanaka and Kubo agreed on the holding of the meeting in talks following Friday's cabinet meeting, the finance minister told a news conference.

"The government wants to hold a meeting of the panel heads at an early date because it plans to make fiscal 1997 the first year of Japan's fiscal reconstruction," Kubo said.

The four bodies are the fiscal system council, the advisory council on social security, the economic council and the tax commission.

With Japan's population aging rapidly, the elimination of a widening gap between budgetary expenditures and revenues is a pressing task for the government.

In recent remarks at a Diet session, Hashimoto said the government has no plan to create a new body to discuss measures for a sounder fiscal system but that he will ask the heads of existing advisory panels to debate the issue, he said.

Kubo told the press conference that the planned meeting of panel chiefs will be joined by Hashimoto and related cabinet ministers, including Kubo.

At the meeting, the panel heads will present their "frank" views on fiscal reconstruction, Kubo said.

They and the ministers will also discuss whether to hold such meetings regularly and compile a report, he said.

By at least one measure, Japan's fiscal condition is the worst among the group of seven industrialized countries.

Its outstanding balance of government bonds is expected to total 240 trillion yen at the end of next March, equivalent to nearly 50 percent of the nation's gross domestic product.

Japan: Finance Minister Vows To Rebuild National Finances

OW1005112296 Tokyo KYODO in English
1009 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 (KYODO) - Finance Minister Wataru Kubo vowed Friday [10 May] to tackle rebuilding Japan's current tight fiscal condition, saying his ministry will set "no sanctuaries" in its budgetary spending review.

While noting Japan's fiscal condition is "critical," Kubo said, "the ministry will not allow any sanctuaries and closely consider what is actually needed in this period."

His remarks have been taken as indicating the ministry's readiness to give no special treatment for social security and other costs related to the people's daily lives.

Kubo met the press after the Diet earlier in the day approved a 75.1 trillion yen fiscal 1996 budget that includes a controversial outlay of 685 billion yen for a scheme to liquidate seven failed housing loan mortgage companies.

Kubo reiterated, "The ministry wants to make fiscal 1997 the first year of japan's fiscal reconstruction."

Kubo said tax hikes are not a precondition for fiscal reconstruction.

Tax cuts, coupled with the expansion of the taxation base, could lead to an increase in tax revenues as a whole, he said.

Kubo said administrative reforms are essential for a sounder fiscal condition, but declined to go into specifics.

By some measures, Japan's fiscal condition is the worst among the group of seven major industrialized countries.

The outstanding balance of government bonds is estimated to reach 240 trillion yen at the end of next March, accounting for almost 50 percent of the nation's gross domestic product.

Kubo also said the government should promote efforts to clean up huge problem loans at financial institutions and create a new financial system, based on "self-responsibility" and "market rules."

In this respect, the ministry hopes for early diet enactment of bills aimed at laying the groundwork for the liquidation scheme for the jusen companies.

Japan: Opposition Party Criticizes Passage of 'Jusen' Budget

OW1005064196 Tokyo KYODO in English
0448 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — The main opposition party Shinshinto (New Frontier Party) criticized Friday's [10 May] Diet passage of the fiscal 1996 budget, including the controversial use of 685 billion yen in taxpayers' money for liquidating failed housing loan companies.

Shinshinto released a statement renewing its vow to cancel the planned use of the tax money by killing bills on legislating the liquidation scheme when a new special Diet panel on financial issues begins debating the bills.

The party accused the government of having decided the use of the tax money in closed-door discussions and for allowing those who should take the burden for the fiasco of the "jusen" housing loan companies evade their responsibility.

Kanju Sato, general secretary of the Social Democratic Party (SDP), one of the three coalition parties, in return rapped Shinshinto for having delayed the passage of the budget by blockading the House of Representatives Budget Committee room for three weeks in March.

Sato pledged his party will do its best through the June 19 end of the ongoing 150-day Diet session to clarify responsibility for the "jusen" fiasco and reform Japan's financial system and financial administration.

Yukio Hatoyama, chief secretary of New Party Sakigake, the smallest party in the ruling coalition, released a statement expressing hope that the Japanese economy will get on track from now on.

Hatoyama promised to strive to speedily carry the legislation for the "jusen" liquidation system, and to pursue efforts to determine criminal and civil responsibility for the scandal and to collect money loaned out by the moribund mortgage companies.

Japan: Minister Rejects Additional 'Jusen' Burden for Farm Banks

OW1005050296 Tokyo KYODO in English 0401 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Agriculture, Forestry and Fisheries Minister Ichizo Ohara said Friday [10 May] he will reject under the present circumstances any request for additional burdens for farm-related banks to liquidate seven failed housing loan companies, or "jusen."

Ohara said however he will make a judgment on the basis of a comprehensive study of the matter, including an adjustment of views within the ruling coalition.

Under a government scheme, financial institutions of agricultural cooperatives and their parent organizations have agreed to contribute 530 billion yen to the government-proposed jusen liquidation scheme.

The scheme calls for banks which founded the mortgage lenders to abandon 3.5 trillion yen worth of loans to the "jusen."

Ohara said the reserve funds of farm-related banks are small and their financial foundations are weaker than those of the "jusen" founder banks.

He said agricultural financial institutions are conducting management reshuffles in an orderly manner after closing their books for fiscal 1995 to March 31 and the process may be disrupted if the question about additional burdens for them surfaces at this stage.

Japan: Ogawa Welcomes Takemura's Tax Hike Proposal

OW0905122596 Tokyo KYODO in English 0957 GMT 9 May 96

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Vice Finance Minister Tadashi Ogawa on Thursday [9 May] welcomed a proposal to raise the consumption tax by former Finance Minister Masayoshi Takemura, saying it will help deepen debate on the improvement of Japan's tight fiscal condition.

"To deepen discussions on the fiscal reconstruction issue, it is helpful that politicians present their specific ideas to the public," Ogawa said at a news conference.

Ogawa said he hopes Takemura's proposal will become one basis for debate.

In a magazine article to be published Friday, Takemura proposes raising the consumption tax to 8-12 percent from fiscal 2001 as a way to balance the national budget.

The consumption tax rate, now 3 percent, is to be raised to 5 percent in fiscal 1997, which starts in April next year.

Ogawa also said he hopes for the early enactment of bills related to a government plan to liquidate failed "jusen" housing loan companies.

It is necessary to clean up problem loans at the jusen companies at an early date, he said.

The government's fiscal 1996 budget, which includes 685 billion yen in taxpayers' money for the liquidation scheme, was expected to pass the Diet Thursday evening.

Once the budget is approved, parliamentary debate is expected to focus on the jusen liquidation plan.

Ogawa said he will welcome Diet approval of the budget from the viewpoint of putting the Japanese economy on the track to full recovery.

Japan: Minority Overseas Outlets Urged To Hire More Local Heads

OW0905113396 Tokyo KYODO in English 1049 GMT 9 May 96

[FBIS Transcribed Text] Tokyo, May 9 KYODO — Japanese-affiliated companies overseas have yet to promote the localization of operations as less than 30 percent have local people at the helm, according to the results of a survey released Thursday [9 May].

The Japan Overseas Enterprises Association said it conducted the survey on all of its 426 members at the end of March with replies from 103. The 103 firms have a total of 2,333 overseas outlets.

The survey found that the outlets had 1,595 Japanese presidents and 668 local presidents, or 29.5 percent of the combined figure.

Of 1,706 subsidiaries owned more than 51 percent by Japanese companies, 1,320 had Japanese presidents, and 346 were headed by local presidents with the ratio coming to 20.8 percent.

According to the Ministry of International Trade and Industry, there were 10,005 Japanese subsidiaries overseas at the end of fiscal 1993 on March 31, 1994.

The association said 66 percent of some 1,000 foreign-affiliated companies operating in Japan have Japanese presidents. The ratio is 75 percent for American companies.

Japan: DA Preparing for Standards of Equipment Development Review

OW0905125196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 May 96 Evening Edition p 1

[FBIS Translated Text] The Defense Agency [DA] plans to conduct a thorough review of its standards which commercial companies have been required to satisfy regarding the development and production of equipment to be used by the Self-Defense Forces [SDF]. It plans to lower procurement costs by actively promoting the development of equipment using commercial technology and production conforming to commercial standards. Since the DA cannot expect any equipment-related budget increases, it hopes to curb rising procurement costs that result from SDF equipment becoming more high-tech. By adopting the computerized settlement of accounts with commercial firms, the DA plans to shorten delivery time and facilitate processing of contracts. The DA intends to set up a study committee to finalize details and hopes to put its plan into effect beginning in FY97.

In FY90 contracts the DA concluded with commercial firms amounted to 1 trillion yen. Since then, however, this figure has continued to drop every year in line with the trend to restrain the defense budget in the post-Cold War era. In FY95, the figure dropped to approximately 825 billion yen.

Meanwhile, unit costs of equipment — as in the case of the next-generation support fighter F-2, the average mass-production cost of which amounts to 8 billion yen — have continued to increase as they become more advanced. In many cases, SDF equipment uses costly, special parts which satisfy strict requirements in regards to material quality and firmness. Such costs, therefore, can be reduced by substituting commercial parts which can be mass produced.

To review its practices on procuring equipment, the DA plans to set up a "Committee on Revising Procurement Practices," which will be headed by the director general of the DA Bureau of Equipment. The committee will hold its first meeting next week and work out concrete measures hopefully by June on such topics as follows: 1) DA standards and specifications; 2) technological research and development; 3) defense production base; 4) maintenance and repair systems; 5) procurement methods and putting them into practice; and 6) computerizing of data.

There are said to be about 30,000 itemized DA standards and specifications that comply with U.S. military standards. The DA plans to thoroughly review these, including revising or dropping some of them. In regard to contracts with commercial firms, the DA plans to adopt electronic commerce to shorten the time it takes to deliver a product after it is ordered and facilitate processing of procurement contracts, which number 80,000 a year.

Regarding quality management standards for SDF equipment, the DA plans to replace its special standards with the "ISO 9000" series, an international standard for assuring quality, so as to lighten the defense industry's burden at the production level.

Moreover, the DA plans to engage in work to establish measures to help maintain the production base of defense-related firms that tends to result in the production of many kinds of equipment in small volumes and methods of research and development for reducing costs involved in the entire life cycle of SDF equipment, including their development, production, maintenance, and improvement.

The U.S. military was the first to review defense equipment procurement practices, as it faced drastic cuts in defense spending following the end of the Cold War. It has successfully reduced procurement costs and shortened delivery periods by scrapping the practice of stressing military specifications which makes production costly and adopting commercial standards and the same method of processing contracts for procuring defense equipment as that for purchasing commercial products.

Japan: Hashimoto Brushes Aside Snap Poll

OW1005084696 Tokyo KYODO in English 0835 GMT 10 May 96

[FBIS Transcribed Text] Tokyo, May 10 KYODO — Prime Minister Ryutaro Hashimoto on Friday [10 May] brushed aside an early dissolution of the House of

Representatives for a snap election, pointing to the slow tempo of economic upturn.

At a press conference following Diet approval of the fiscal 1996 budget bills, Hashimoto said he is so preoccupied with the heap of urgent problems that he cannot give any serious consideration to dissolving the lower house.

The premier, who also heads the Liberal Democratic Party (LDP), the largest component of the tripartite coaltion government, reiterated that the important task for his cabinet is put the budding economic recovery firmly on track.

Although the economy is picking up gradually, the jobless rate is still high and the business conditions surrounding small and medium-sized companies remain unfavorable, he said.

Hashimoto also pointed to the Diet debate on bills for solving the problems of the failed housing loan companies as well as the tight diplomatic schedule, including the June summit meeting in France of the seven major industrialized countries.

Hashimoto also stressed he has no plan to dismantle the current tripartite ruling coalition comprising his LDP, the Social Democratic Party and New Party Sakigake.

He also denied speculation over any possible LDP alliance with the main opposition party Shinshinto (New Frontier Party).

"It would be impolite to talk about realignment or a new coalition (with Shinshinto) while Shinshinto spearheads the opposition camp," he said.

Japan: SDP Decides To Change Into New Party Before General Poll

OW0905120896 Tokyo KYODO in English
1000 GMT 9 May 96

[FBIS Transcribed Text] Tokyo, May 9 KYODO — The Social Democratic Party (SDP), part of the tripartite ruling coalition, formally decided Thursday [9 May] to transform itself into a new party before the next general election, party officials said.

The decision came at a meeting of top party policy-makers with adoption of an interim report on how to change the party into a new party with a better chance of winning the next general election, they said.

The report details a policy of contesting the next election under a new party banner and calls for efforts to get what it terms as all "pro-democracy forces" together to form a new party, the officials said.

On the timing of the next poll, participants in the meeting shared the view that it could happen anytime after this summer and reaffirmed the party's policy of seeking cooperation over the poll under the SDP leadership, they said.

The interim report, still subject to approval by a national meeting of SDP members to be held by the end of this month, falls short of mentioning when to form a new party.

SDP sources said the lack of any specific date on when to form a new party suggests it might be difficult to do so before the general election and therefore the SDP may be forced to contest the poll on its own.

The next general election is not mandated until mid-1997.

North Korea

DPRK: Pyongyang Radio Notes Agreement With U.S. To Return Remains

SK1005014596 Pyongyang Korean Central Broadcasting Network in Korean
0110 GMT 10 May 96

[FBIS Translated Text] DPRK-U.S. talks have been held to discuss the remains of U.S. soldiers.

A DPRK delegation led by the chief of a bureau of the Foreign Ministry and composed of functionaries of the Panmunjom Mission of the Korean People's Army, and a delegation of the United States of America [mihapchungguk] led by a deputy assistant secretary of defense and composed of State Department officials, held talks in New York, the United States, on 4-9 May to discuss the remains of U.S. soldiers killed in our side's area during the fatherland liberation war.

At the talks, the two sides discussed in a sincere atmosphere compensation for the remains which our side has so far handed over to the United States, as well as issues concerning the future excavation of remains, and they adopted a letter of agreement.

In the letter of agreement, the United States expressed its appreciation for the fact that we had excavated the remains of U.S. soldiers and handed them over from a humanitarian standpoint, and said it would pay due compensation for the labor, materials, and facilities used in the excavation.

The two sides agreed to hold working talks sometime during the first 10 days of June to discuss issues regarding the future excavation of remains.

The two sides also expressed their firm belief that the agreement reached at the talks would affirmatively contribute to improving DPRK-U.S. relations.

DPRK: Commentator Assails Remarks by Outgoing USFJ Commander

SK1005060096 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 9 May 96

[Commentary by Kim Ho-sam: "Dangerous Plot To Provoke a New War in Korea"]

[FBIS Translated Text] On 7 May, Richard Meyers, commander of the U.S. Forces Japan [USFJ], raved that the unstable political situation on the Korean peninsula poses an imminent threat, adding that if a conflict broke out on the Korean peninsula, U.S. military bases in Japan would clearly play an important role.

This is a sophism that the U.S. warmongers uttered to find an excuse to beef up on a large scale their forces in Asia and the Pacific, under the pretext of the situation on the Korean peninsula. This also clearly discloses their intention to make the best use of their military bases in Japan to wage war in the event of a contingency.

Today, the U.S. imperialist aggression forces are further rejected in Japan, and in Asia and the Pacific in general. A recent survey by ASAHI SHIMBUN shows that two-thirds of respondents said the presence of 20,000 U.S. soldiers in Okinawa is not necessary. The U.S. Forces in Japan are rejected not only in Okinawa but in Honshu, Kyushu, and various other regions of Japan. This anti-U.S. sentiment by the Japanese is no accident.

The United States, which stationed massive forces in Japan under the pretext of containing the former Soviet Union's southward advances, can no longer offer such a pretext since the Cold War has ended. For this reason, in order to take control of Asia and the Pacific forever, the U.S. warmongers now need a new excuse for stationing their forces in this region on a long-term basis.

The United States has raved about the instability or uncertainty of the situation in Asia and the Pacific, with the vicious motive of continuously maintaining its massive military forces in this region. We cannot help but think Richard Meyers made the remarks for that purpose.

The commander of the U.S. Forces in Japan described the situation as if we were making the situation on the Korean peninsula unstable. This is shameless gibberish that reverses black and white. Who in the world is making the situation on the Korean peninsula unstable, and who is bringing about the danger of war? The latest occurrences will be enough for us to realize that the U.S. warmongers are doing so.

The United States is continuously bringing into South Korea missiles equipped with sophisticated technology, B-1 strategic bombers, and various other modern operational equipment. It is also perpetrating war exercise commotions against us almost daily. The United States conducted aerial espionage on our side's area in April on approximately 200 occasions. Because of these war maneuvers by the U.S. warmongers, the danger of a new war on the Korean peninsula is looming every moment.

Even while it is doing so, the United States says we are making the situation unstable. This is nonsense.

The commander of the U.S. Forces in Japan said if a conflict broke out on the Korean peninsula, the U.S. military bases in Japan would clearly play an important role. This means that if a war breaks out in Korea, the United States will use the U.S. military bases as a springboard to wage full-scale war. That is, it will use the U.S. military bases as an operations and logistics base, a sortie base, and an attack base.

We cannot help but note the fact that the commander of the U.S. Forces in Japan made the provocative remarks after the U.S. President and Japanese prime minister held talks and released a Japan-U.S. joint security declaration.

The United States has more frantically sought to beef up its military bases in Japan since the United States and Japan made public the aggressive and domineering joint document. For example, it relocated refueling planes from the Futemna, Okinawa, airfield to Iwakuni in Japan proper. It is also extending the Iwakuni airstrip toward the direction of the sea by approximately one km and building repairs facilities and hangars there. The U.S. warmongers plan to fly planes from Iwakuni and attack the east coast of the Korean peninsula.

All these facts show the U.S. warmongers seek to revive the Cold War structure on the Korean peninsula and the Japanese islands, and in Asia and the Pacific in general, and to hold in check and dominate countries in this region by the force of arms.

However, such a military strong-arm policy will not work on anyone, but will do more harm to the United States than good.

An attempt by the United States to devour us with the force of arms is a gross miscalculation. We treasure peace, but will never beg for it from the United States.

The U.S. warmongers must clearly realize this will of ours and abandon their policy of strength. If they step up the military conspiracy and collusion with Japan and continuously embark on the road of war, they will be more strongly denounced and rejected by the Asian people and will court disaster on their own.

DPRK: Pyongyang Radio Says U.S. Military 'Scheming' for 'Aggressive War'

SK0905143096 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 9 May 96

[FBIS Translated Text] According to a report, Richard Myers, commander of the U.S. Armed Forces Japan, who is retiring, babbled on 7 May that if a conflict occurs on the Korean peninsula, Japan and U.S. bases in Japan will play an important role.

He made this remark while saying that the unstable political situation on the Korean peninsula can be an impending threat, that the U.S. forces are prepared to deal with a possible emergency situation, and so on. He highly praised the dispatch of Japan's forces overseas, openly instigated Japan to strengthen its military role, and emphasized the importance of the aggressive Japan-U.S. Security Treaty.

This alone reveals that the bellicose forces of the U.S. military are promoting the Japanese reactionaries, who are bent on enthusiasm for reinvasion as commandos, and are scheming once again to commit an aggressive war on the Korean peninsula with the U.S. bases in Japan as a springboard.

DPRK: NODONG SINMUN Denounces ROK Ruling Party's 'Repressive Order'

SK1005104696 Pyongyang KCNA in English 0835 GMT 10 May 96

["Rude Political Gangsterism" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The Kim Yong-sam clique called a "Meeting of Ministers in Charge of Public Security" on May 7, at which the puppet prime minister said that "the leftist tendency" of activities of organisations of students and dissidents cannot be neglected any longer. And he instructed them to "sternly deal with" group demonstrations of civilian organisations and demonstrations of students, cut off contacts of student organisations of the South with counterparts of the North through telephone and fax and "intensify supervision" to prevent "spread of leftist idea".

NODONG SINMUN in a commentary today denounces it as a repressive order to quell at any cost the fighting spirit of the people against Kim Yong-sam and the "New Korea Party", which is growing stronger after the puppet National Assembly elections, and as part of desperate moves to put down the aspirations of the people for independence, democracy and reunification at the point of the bayonet under the pretext of preventing the so-called "leftist act" and prop up the "civilian" dictatorship which is in the crisis.

The news analyst goes on:

That day, the puppet prime minister branded the demonstrations of students and civilian organisations as "illegal violent demonstrations" in a bid to suppress their righteous struggle demanding freedom and democracy of the campus, the punishment of all the murderers of Kwangju citizens and the opening to the public of the "presidential election fund" of the traitor Kim Yong-sam.

The puppets' traitorous colors are revealed by clamour for blocking contacts between the students in the North and the South. Worse still, the puppet clique's moves to obliterate "leftist idea" is a wanton political suppression and a vandalic act which keeps students sensitive to justice from studying truth and science and binds all the community with iron chains to remove even the trace of democratic freedom and social justice.

After all, the current step of the Kim Yong-sam group clearly shows once again that they are an anti-national, anti-democratic and anti-reunification criminal group and a rude political gang that are ignorant of the nation and humankind, civilization, science and culture.

The repressive offensive of the puppets is aimed at threatening the students and dissident organisations and out preventing their righteous resistance from spreading all over South Korea in May of struggle. [sentence as received]

DPRK: ROK Opposition Democrats Protest NKP Recruitment Attempts

SK1005085096 Pyongyang KCNA in English 0733 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The South Korean opposition Democratic Party had carried on an all-night sit-in struggle for four consecutive days as of May 7 protesting the move of the "New Korea Party" (NKP) to take a majority in the "parliament" by swaying opposition and independent members to its side, a Seoul-based radio report said.

Members of the Democratic Party distributed special issues of its newspaper in Seoul charging the "government and ruling party are trying to whisk off the democratic members by means of allurement and blackmail."

In a protest letter to the "NKP", the party urged it to suspend, at once, the underhand work to disrupt the opposition parties, a move chilling the wish of the people who made the "NKP" defeated in the "general election".

DPRK: ROK Dissident Group Vows To Invigorate Antigovernment Struggle

SK0905232796 Pyongyang KCNA in English
0853 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The National Alliance for Democracy and Reunification (Chongukyonhap), the biggest dissident organization in South Korea, manifested its determination to rally people of various strata to expand and strengthen the anti-"government" struggle.

The organization declared that it would present itself as a responsible political motive force by indicating a correct political guideline and orientation to the people.

Chongukyonhap said that to this end, it would cement its internal unity and solidarity with citizen, public and dissident organizations including the General Federation of Democratic Trade Unions and, in particular, give scope to the building of mass organizations throughout South Korea this year.

DPRK: ROK Foreign Debt Posts 'Record High' in 1995

SK0905232496 Pyongyang KCNA in English
0910 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Foreign debts of South Korea as of the end of last year amounted to a record high of 78.98 billion dollars, according to a radio report from Seoul.

South Korea's foreign debts in 1992, the last year of the No Tae-u military fascist regime, ran into 42.6 billion dollars.

After the "civilian government" appeared, South Korea's foreign debts increased one billion dollars in 1993, 14.2 billion dollars in 1994 and 36.38 billion dollars in 1995 as against the last days of the preceding military dictatorial regime.

This proves that South Korea's foreign debts have systematically increased owing to the anti-social policy of the traitor Kim Yong-sam.

Pro-DPRK Group in Tokyo Urges Normalization of DPRK-Japanese Ties

SK0905225696 Pyongyang KCNA in English
0857 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The secretary general of the Japan Committee for Support to Independent and Peaceful Reunification of Korea, Hiroshi Wakabayashi, in a meeting held in Tokyo, touched on the question of early realization of normalization of Japan-DPRK diplomatic relations.

"The Japanese ruling party always mentions unstable situation on the Korean Peninsula," he said. "Its main reason is the division of Korea."

Noting the Japanese ruling party has not made efforts for the normalization of Japan-DPRK diplomatic relations, he held that if Ryutaro Hashimoto's cabinet truly wants to press ahead with "independent diplomacy" it should carry into practice the normalization of Japan-DPRK diplomatic relations, not restrained by anybody.

"Endeavourings for normalization of Japan-DPRK diplomatic relations will be properly combined with those for achieving the action plan for return of the Okinawa base," he stressed.

An appeal, adopted at the meeting, said what is of importance, above all, in friendship with peoples of different countries is to realize the normalization of diplomatic relations with the Democratic People's Republic of Korea, to which Japan has not yet made an apology and compensation for the past war of aggression and with which she has not established diplomatic relations up till now.

It strongly urged the government to make efforts to this end.

The appeal pointed out that the normalization of Japan-DPRK diplomatic relations will help ease the tension on the Korean Peninsula and, at the same time, is an indispensable condition for the stability of the East Asia.

DPRK: Koreans in Japan Decry ROK-U.S.-Japan Military Alliance

SK1005105096 Pyongyang KCNA in English
0842 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The Federation of South Koreans in Japan for Democracy and Reunification (Hantongnyon) and the South Korean Youth League in Japan, Koreans' organizations under the South Korean Residents Association in Japan (Mindan), in meetings marking the 36th anniversary of the April 19 popular uprising, criticised the Kim Yong-sam "civilian" dictatorship for hindering independence, democracy and reunification and the move for tightening the military tieup between South Korea, the United States and Japan, according to the Tokyo-based Korean News Service.

The resolution adopted at the meeting held in Tokyo on April 20 expressed opposition to the policy of the Kim Yong-sam "civilian" dictatorship, which is anti-democratic, anti-national and anti-reunification, calling for stepping ahead with the movement for independence, democracy and reunification, attaining great national unity and realizing the reunification through confederacy.

The resolution called for building of a new peacekeeping mechanism between parties concerned and pullout of the U.S. Forces in South Korea.

DPRK: Women Protest Violence Against Korean Students in Japan

SK0905234496 Pyongyang KCNA in English
0850 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — An emergency meeting was held by women under the Tokyo Metropolitan Headquarters of the Democratic Union of Korean Women in Japan on April 30 to check assaults and wild words against students of Korean schools in Japan by the Japanese right-wing reactionaries, according to a KNS report from Tokyo.

At the meeting, the speakers said that they, mothers of the children studying at Korean schools, would not pardon such incidents and would struggle to prevent them from recurrence.

A letter of request in the name of the Society of Mothers of Korean Schools in Tokyo was adopted at the meeting.

After the meeting, representatives of mothers visited the metropolitan police office, carrying the letter of request with them and strongly demanded the prevention of incidents and punishment of the criminals.

DPRK: Chongnyon Urges Japan To Prevent Violence Against Korean Students

SK0905232896 Pyongyang KCNA in English
0918 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) made public a statement on May 2 in connection with the fact that acts of violence against students of Korean schools have taken place in Japan these days.

Recalling that Japanese rightwing gangsters cut off national costumes of girl students of Korean schools with knives and uttered violent words "We will kill all Koreans" in different parts of Japan in the period from April to date, the statement said:

These cases were not accidents but were committed against the background of the anti-DPRK, anti-Chongnyon moves of the Japanese authorities.

Some time ago, the Japanese authorities announced the "Japan-U.S. Joint Declaration on Security" and are now trying to enact a law on "emergency" so as to keep the "Japan-U.S. Security Pact" on the plea of "threats" from the DPRK and other Asian nations and attain their purpose of aggression and domination over this region.

And they are spreading rumours about "threat from the DPRK" to foster terror among the Japanese people and incite national discrimination and chauvinism against Japan-resident Koreans.

They cannot evade their responsibility for serious human rights violation and crimes against our Korean school students.

We strongly urge that the Japanese authorities arrest the criminals, take a measure to prevent recurrence of cases of assault and violent words against students of Korean schools and stop the anti-DPRK, anti-Chongnyon moves at once.

DPRK: KULLOJA Delegation Meets Hu Jintao in Beijing

SK1005011196 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 9 May 96

[FBIS Translated Text] On 9 May, at the Great Hall of the People in Beijing, Comrade Hu Jintao, member of the Standing Committee of the Political Bureau of the CPC Central Committee and member of the Secretariat of the CPC Central Committee, met with a KULLOJA delegation led by responsible editor Yang Kyong-pok.

At the meeting, Comrade Hu Jintao, stating that the PRC and the DPRK are friendly neighbors linked by mountains and rivers, stressed: "This friendship is a friendship personally forged and nurtured by revolutionaries of the old generation, including Comrade Mao Zedong, Comrade Zhou Enlai, Comrade Deng Xiaoping, and Comrade Kim Il-song, the great leader of the Korean people, and is also the friendship that has surmounted the protracted trials of history."

Noting that the party, government, and people of the PRC treasure the friendship between the PRC and the DPRK, he stated: "In particular, at a time when the peaceful transition maneuvers of the western hostile forces against socialist countries have not changed at all, strengthening the friendship between the two countries is not only in accord with the interests of the people of the PRC and the DPRK, but is also favorable for peace in Asia and the rest of the world."

He stated he will make active efforts to constantly solidify and develop the traditional friendship between the PRC and the DPRK.

He also stated he wants the Korean people to continuously achieve new success in their struggle to develop socialist construction and to achieve the country's independent and peaceful reunification under the leadership of the Central Committee of the Workers Party of Korea headed by Comrade Kim Chong-il [kimchongil tongjirul subanurohanun].

DPRK: Chang Chol Meets Mongolian Foreign Ministry Delegation

SK1005100096 Pyongyang KCNA in English 0856 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — Vice-Premier Chang Chol met and had a friendly talk with the visiting delegation of the Ministry of Foreign Relations of Mongolia led by vice-minister Ch. Baatar [name as received] at the Mansudae Assembly Hall today.

Ch. Baatar said the heroic Korean people have made many achievements in their efforts for the prosperity of the country.

The Mongolian people value the friendly relations with the Korean people, he said, adding that they would make efforts to further strengthen and develop the relations in the future.

DPRK, Mongolian Foreign Ministries Sign Agreement

SK1005100296 Pyongyang KCNA in English 0855 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — An agreement on cooperation between the DPRK Foreign Ministry and the Ministry of Foreign Relations of Mongolia was signed here today.

Present at the signing ceremony on the Korean side were Vice-Minister of Foreign Affairs Choe U-chin and officials concerned and on the opposite side were the delegation of the Ministry of Foreign Relations of Mongolia led by Vice-minister CH. Baatar and Mongolian Ambassador to Korea D. Byambaa.

DPRK, Mongolia Sign Agreement on Transportation Cooperation

SK1005100596 Pyongyang KCNA in English 0854 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — An agreement on mutual cooperation in transport was signed between the DPRK and Mongolian Governments here today.

Present at the signing ceremony on the Korean side were Vice-Chairman of the State External Economic Affairs Commission Yi Song-nok and officials concerned and on the opposite side were the delegation of the Ministry of Foreign Relations of Mongolia led by Vice-Minister CH. Baatar and Mongolian Ambassador to Korea D. Byambaa.

DPRK: Angolan President Sends Letter to Kim Chong-il

SK1005101196 Pyongyang KCNA in English 0858 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The great leader Comrade Kim Chong-il received a personal letter from Jose Eduardo Dos Santos, president of Angola.

It was handed to Vice-President Yi Chong-ok on Thursday by Manuel Helder Vieira Dias, director of the Military Affairs of the Presidential Office and director general of the Service of Strategic Security who is on visit to Korea as a special envoy of the Angolan president.

DPRK: Yi Chong-ok Meets Angolan President's Special Envoy

SK0905231796 Pyongyang KCNA in English 0925 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Vice-President Yi Chong-ok had a friendly conversation with a special envoy of the Angolan president and his entourage at the Mansudae Assembly Hall today.

Manuel Helder Vieira Dias, director of the Military Affairs of the Presidential Office and director general of Service of the Strategic Security, told Yi Chong-ok that while in Korea, he had seen the Korean revolution making a long drive.

With great ideas and leadership, socialism of Korea will surely emerge victorious, he said.

DPRK: Foreign Party Leaders Send Messages to Kim Chong-il

SK1005035696 Pyongyang KCNA in English 0317 GMT 10 May 96

[All names of foreign party leaders as received]

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The great leader Comrade Kim Chong-il received solidarity messages from Co-chairman of the Socialist Party of Kazakhstan P. Svoik, General Secretary of the Movement for Peace and Socialism of Italy Roberto Gabriele and political leader of the Maurice Bishop Patriotic Movement of Grenada Terence A. Marryshow supporting a tentative agreement for a new peace mechanism proposed by the Government of the Democratic People's Republic of Korea.

P. Svoik says in his message that the Political Executive Committee of his party fully supports the policies put forward by Comrade Kim Chong-il to defuse military tension in the Korean peninsula.

Roberto Gabriele says in his message that the DPRK put forward a proposal for a new peace mechanism in April 1994 and proposed a tentative agreement with the United States in last February to avoid military conflicts and keep the armistice in a peaceful way.

If the United States turns down the proposals of the DPRK, it will meet a strong protest by the DPRK and the world progressives advocating socialism and independence, he says.

Comrade Kim Chong-il received solidarity messages also from General Secretary of the United Left Movement of Dominica Miguel Mejia and Chairman of the Peruvian Nationalist Movement of Labour Eleazar Gutarra Maravi supporting the Korean people in their struggle for the peace and reunification of the country.

DPRK: Kim Chong-il Sends Thanks to Foreign Ministry, Others

SK1005092996 Pyongyang KCNA in English 0829 GMT 10 May 96

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the children's dietetic laboratory of the Academy of Medical Science under the National Academy of Sciences and the Ho Tong-ho office for having distinguished themselves in fulfilling revolutionary tasks.

His thanks also went to officials of the Ministry of Foreign Affairs, the Paechon County, South Hwanghae Province, committee of the Korean Democratic Women's Union, Cho Song-pok working at the Korean fish-breeding joint venture company and many other officials and working people, who set examples in assisting the People's Army.

Comrade Kim Chong-il, supreme commander of the Korean People's Army, extended thanks to soldiers of the Hwang Si-chang unit and families of six officers including Yi Chang-chu, wife of a political officer of the Chae Ho-sam unit, of the Korean People's Security Forces for having fully displayed the traditional trait of army-people unity.

DPRK: NODONG SINMUN Lauds Kim Chong-il's Work on Party Cells

SK1005100696 Pyongyang KCNA in English 0852 GMT 10 May 96

["Highly Important Work for Building Up Party Cells" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — NODONG SINMUN today dedicates a signed article to the 5th anniversary of the publication of "Let Us Strengthen Party Cells," a famous work of the great leader Comrade Kim Chong-il (May 10, 1991).

The article titled "Highly Important Work Which Must Be Held Fast to in Building Up Party Cells" says:

The work indicates in detail the importance of the position of party cells in the development of the party and the revolution, highly important tasks to build up party cells in keeping with the requirements of the developing reality which is faced with a weighty undertaking to accomplish the revolutionary cause of chuche by further strengthening the party and constantly enhancing its leading role and principles and ways to put them into practice.

It is the basic idea of the work that all party cells must be firmly built up to be cells of loyalty so as to further strengthen the Workers' Party of Korea [WPK] and a powerful struggle must be conducted to achieve the final victory of the revolutionary cause of chuche.

The article quotes Comrade Kim Chong-il as saying:

"'Let us make all party cells loyal ones!' — This is an important slogan raised by our party today and a central task which must be implemented by party organisations."

It further says:

Over the past five years, the work has demonstrated a great vitality in the building of the WPK, its activities and the revolutionary practice for the profundity and validity of its idea and policy.

Today, the members of the WPK have the unshakable faith that their leader and party are the best and they would entrust destinies only to the party and the leader forever and share life and death, sweets and bitters with them to the end. It is the noble ideological and spiritual trait of the members of the WPK to think first of the party and the leader whether they are awake or asleep, happy or painful, and uphold them with loyalty and filial piety throughout their lifetime.

They respect their party organisations as protectors that link their bonds of kinship with the leader and that make them exalt their political integrity endlessly.

The singlehearted unity of the party and the revolutionary ranks around Comrade Kim Chong-il has been consolidated into an invincible one.

Our people are unanimous in saying that party organisations are the bosom of the great General Kim Chong-il and are hardening their determination to share life and death with the party to the end.

It is the noble trait of our people to think and take actions as intended by the party and work with all wisdom and energies so as to give greater joy to the party.

The great singlehearted unity of the party and the people around the leader as unbreakable bonds of kinship is the invincible might of the WPK and an eternal future of the Korean-style socialism.

DPRK: Symposium Considers Kim Chong-il Work on Architecture

SK0905230196 Pyongyang KCNA in English 0843 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — A symposium on "Theory on Art of Architecture", a famous work of the Great Leader Comrade Kim Chong-il, was held here on Wednesday to commemorate the 5th anniversary of the publication of the work.

It was attended by architects, builders, scientists and educators in Pyongyang.

Describing the work as a great encyclopedia of architecture of the present era, the speakers explained it.

They noted that the work indicates in a complete system the revolutionary essence and mission of architecture under socialism and communism, the fundamental principle in creation of architecture, the essential characteristics of architecture as a synthetic art, the requirements arising in the formation of architecture and the guidance method in creation, and that it gives a scientific, comprehensive and in-depth elucidation of theories for architecture covering not only the universal one but all sectors such as the construction of cities, rural communities, public and industrial buildings.

The work clearly expounds that the socialist and communist architecture should contribute to the revolutionary cause of the leader and that it is the popular masses who create and enjoy architecture.

The essential characteristics of the work are that it is utterly consistent with revolutionary outlook on the leader, the chuche principle and the spirit of devoted service for the people, they stressed.

The work considers the relations between architecture and society, between architecture and mankind to be a basic matter in its creation and elucidates, on a new, unique basis, the questions on fundamental cornerstone of architecture, the principle in its creation, the theory and the method in its formation, the position and role of architect and the guidance over creation.

The work explains, on a new basis, the goal and content of the architectural creation and the method for its materialization with the philosophical principle of the chuche idea, they said, noting that, therefore, the Korean-style architecture could get a powerful ideological and theoretical weapon which helps it reach a higher plane.

DPRK: Kim Il-song Work on Korean Language Remembered

SK0905234196 Pyongyang KCNA in English 0914 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — A symposium of social scientists was held here on Wednesday to commemorate the 30th anniversary of the publication of the Great Leader President Kim Il-song's immortal famous work "On Correctly Preserving the National Characteristics of the Korean Language."

Attending the symposium were officials of social science, party cadre training organs, science, education and the press.

The speakers said that President Kim Il-song's work is an encyclopaedic programme of language, which gives a comprehensive exposition of theoretical and practical matters arising in putting the development of the national language on a chuche basis to meet the requirements of the era of independence.

Laid down in the work are chuche-based ideas and theories of correctly preserving the national features of language to reflect the demand of our times and developing them further, they said, and continued:

Those ideas and theories have been a chuche-based programme of language for a solution to the problem of national language in the countries that extricated themselves from the colonial fetters of imperialism.

The work gives an all-round elucidation of fundamental principles, demands and scientific ways of putting the development of the national language on a chuche basis. This is a guideline that should be tackled by a working-class party and state for the national language of the era of independence.

The strengthened purity of our national language, revolutionary refinement of our language and standardised socialist language are shining achievements gained under the wise guidance of the fatherly leader President

Kim Il-song and the respected General Kim Chong-il, they added.

DPRK: NODONG SINMUN Warns Against Careerists, 'Conspirators'

SK1005044996 Pyongyang KCNA in English 0419 GMT 10 May 96

["Despicable Nature of Careerists and Conspirators" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 10 (KCNA) — NODONG SINMUN today runs an article on the despicable nature of careerists and conspirators.

The article quotes the great leader Comrade Kim Chong-il as saying:

"...The careerists and conspirators outwardly pretend to uphold the leader and be faithful to the revolutionary cause while dreaming another dream inwardly and making conspiracies behind the scenes. This illustrates their despicable nature."

The author of the article continues:

The modern revisionists and renegade socialists who took leadership posts of the party and state in the post-Stalin era in the former Soviet Union were all careerists and conspirators.

They pretended to uphold the leader and be faithful to the revolutionary cause outwardly, but in fact vilified the leader and damaged the revolution.

When Stalin was alive, the modern revisionists "respected" him as their "teacher" and styled themselves his "faithful disciples."

They did not forget to pledge "loyalty" to Stalin in every speech in a coquettish tone.

After Stalin passed away, they thought how to remove those loyal to Stalin, seize power and improve their image, instead of how to carry forward his cause.

After Stalin died, they began to remove those faithful to the revolution with every conceivable intrigue in order to take the leadership posts of the party and the state.

After taking office, they abruptly changed their attitude, as if they had never pledged "loyalty" to Stalin. They slandered Stalin by all means and destroyed his achievements.

The renegade socialists, like the modern revisionists, viciously slandered the leader and Soviet socialism, naming Lenin and Stalin.

With a view to camouflaging their "restructuring" policy, they abused the name of Lenin and abandoned the fundamentals of revolutionary party building one by one.

In the end, they announced that the Communist Party of the Soviet Union should totally give up the right to lead the state, society and the popular masses. In a newly made statute of the party, they deleted some expressions such as "guided by Marxism-Leninism" and "the Communist Party of the Soviet Union was founded by Lenin." They even erased the international slogan of the working class "The workers of the whole world, unite!" from the front cover of the party statute.

In the Soviet Union, it was the modern revisionists, that is, careerists and conspirators, who caused socialism to be derailed, disunited from within and destroyed in the end.

The lesson of the collapse of the Soviet Union is that socialism will go to ruin if there are careerists and conspirators seated in the leadership.

DPRK: KCNA Recounts Stories of DPRK Socialist Heroes

SK0905230396 Pyongyang KCNA in English 0848 GMT 9 May 96

[FBIS Transcribed Text] Pyongyang, May 9 (KCNA) — Recorded in the history of prospering socialist Korea are heroes who dedicated their lives to the future.

Among them is Kim Che-won, a peasant hero of Chaeryong Namuri plain, South Hwanghae Province.

He was the first to donate rice to the country in 1946 when the state distributed land to peasants.

His laudable deed enkindled a patriotic rice donation movement among the peasants throughout the country.

The rice contributed to the building of Kim Il-song University, the highest centre of chuche education which trains national cadres, and the Mangyongdae Revolutionary School.

With a view to conveying his deed long, the state renamed his village Kim Che-won ri and erected his bust on a pedestal with letters "peasant hero" carved.

In the post-war period, the workers of the Kangson Steel Works, the precurser of the Chollima Steel Complex, launched a collective innovation movement on the debris for the future of the country, which would be prosperous.

Taking the lead in the movement was Chin Ung-won.

He initiated the Chollima workteam movement at the steel works, true to what the Great Leader President Kim Il-song intended.

It was a mass movement aimed at educating the people in communist ideas and encouraging them to collective innovation.

Through the movement the Kangson workers produced 120,000 tons of steel with a 60,000-ton capacity blooming mill.

The Chollima workteam movement was rapidly expanded in different sectors of the national economy.

As a result of the movement, the Kim Chaek Iron Works (now Kim Chaek Iron and Steel Complex) in the northern part of the country produced 270,000 tons of pig iron with a 190,000-ton capacity furnace, the Yongsong Machine Plant (now Yongsong Associated Machinery Bureau) made an 8-metre turning lathe and a 3,000-ton press and the weavers of the Pyongyang Textile Combine conducted a multi-loom tending movement.

Standing in the van of the mass movements were those who dedicated their lives to the socialist homeland, which would ever prosper, and to the people who would be happier in the country.

Their blood and sweat have fruited along with the development of the country.

What they desired has been realised on this land of socialism.

South Korea

ROK: U.S., DPRK Sign Agreement on MIA Remains

*SK0905234396 Seoul YONHAP in English
2335 GMT 9 May 96*

[FBIS Transcribed Text] New York, May 9 (YONHAP) — Officials of the United States and North Korea signed an agreement Thursday regarding the remains of American soldiers killed during the Korean war (1950-1953).

An official announcement released by the Pentagon after five days of negotiations here said that the United States will pay North Korea 2 million U.S. dollars for its past efforts to recover American remains from the Korean war.

The officials agreed to schedule a working level meeting in the first half of June at a place yet to be determined to discuss the issues involving joint recovery operations, the text of the agreement said.

Both sides expect the technical meeting will result in joint recovery operations this year, it added.

The 2 million dollars the United States has agreed to pay North Korea for its past efforts to recover the remains of American servicemen "will not serve as a precedent for any future compensation," the agreement said.

The two sides expressed their belief that the agreement will contribute to improving bilateral relations, it added.

The closed-door negotiations were held in New York City May 4-9, following up on the failed talks in Hawaii last January.

Deputy Assistant Secretary of Defense James Wald headed the U.S. delegation, and Kim Pyong-hong, the Foreign Ministry's International Affairs Department head, was Wald's North Korean counterpart.

The talks focused on recovering and repatriating the remains of some 8,000 American servicemen reported missing during the Korean war, but the agreement is considered a significant step in the U.S. effort to help bring the communist country into the international community.

ROK, U.S. To Deny Further Rice Aid Until DPRK Accepts Talks

*SK1005051296 Seoul YONHAP in English
0503 GMT 10 May 96*

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — South Korea and the United States will not provide any additional rice aid to, nor lift economic sanctions against, North Korea, unless it accepts their proposal for four-way talks to discuss a permanent peace agreement on the Korean peninsula, Deputy Foreign Minister for Political Affairs Chong Tae-ik said Friday.

Reiterating Seoul's position on the proposed quadrilateral talks, Chong said that "there will be no further easing of economic sanctions or additional rice aid for North Korea because we've already proposed the four-party meeting and the North is reviewing the proposal."

Chong was briefing reporters on the upcoming three-way deputy foreign minister-level talks between South Korea, the United States and Japan scheduled for Monday and Tuesday on the southern resort island of Cheju.

Chong said that the Cheju meeting between himself, assistant U.S. Secretary of State Winston Lord and Deputy Foreign Minister Yanai Shunji of Japan will address ways to consolidate three-way cooperation in dealing with the North to lead it to come out for the four-nation peace talks.

The three parties will also exchange opinions about the political and economic situation in North Korea and the implementation of the nuclear agreement reached between Pyongyang and Washington in 1994.

In regard to a North Korean Foreign Ministry statement which recently called for more information on the four-way talks, Chong complained, "I cannot understand what kind of additional information the North hopes to get when we proposed to meet without preconditions."

He acknowledged, however, that the U.S. State Department is willing to provide any additional information that the North may request.

Chong expressed hope that the North will eventually come forward for the quadripartite talks, saying that "It's a positive sign that the North's official position is that they are reviewing the proposal."

The deputy foreign minister also said that the Cheju talks will serve as an occasion to reaffirm Tokyo's position that it will not proceed with any further contacts with Pyongyang unless the latter responds to the offer for the four-way talks.

"A major issue at the Cheju talks will be reaffirming the three countries' position that any improvement in relations between North Korea and the United States or Japan will be closely connected with South and North Korea," he said.

On Monday, Chong, Lord and Shunji will have separate bilateral talks on a variety of issues involving North Korea and the following day the three will have two sessions of three-way talks before giving a joint press conference at the Shilla Hotel on Cheju Island.

The American and Japanese delegations will arrive in Cheju Sunday.

ROK, U.S., Japan To Seek Ways To Induce DPRK To Accept Talks

SK1005015596 Seoul THE KOREA TIMES in English 10 May 96 p 2

[FBIS Transcribed Text] Seoul, Tokyo and Washington will hold three-way talks in the southern resort island of Cheju-to May 13-14 to discuss ways to induce North Korea to agree on a proposed four-way peace meeting, the Foreign Ministry said yesterday.

Deputy Foreign Minister Chong Tae-ik will lead the Korean delegation for talks with U.S. Assistant Secretary of State Winston Lord and Japanese Assistant Foreign Minister Shunji Yanai.

The officials will also discuss a broad range of issues concerning North Korea, including the North's grain situation, U.S.-North Korea talks on the return of the remains of U.S. servicemen missing in action during the Korean War, and diplomatic normalization talks between North Korea and Japan.

On Monday, delegates from Korea and Japan will hold a bilateral meeting at 10 a.m. [0100 GMT]. One between Korea and the United States will be held at noon, followed by another between the United States and Japan at 2 p.m.

On Tuesday, the three countries will hold two rounds of tripartite meetings at 9:30 a.m. and 2:30 p.m.

"The three countries are expected to exchange opinions on how to effectively step up their alliance and launch well-orchestrated steps toward North Korea," a Foreign Ministry official said.

He said that all issues concerning North Korea, including the lifting of U.S economic sanctions against North Korea, will be deliberated in the Cheju meeting, where Presidents Kim Yong-sam and Bill Clinton jointly proposed the four-way talks April 16, participated in by South and North Korea, China and the United States.

The official said it is unlikely that the three countries will come up with some tangible "carrot" with which to lure North Korea to the negotiating table. So far, North Korea didn't give any definite answer to the overture and only said it is examining the intentions of the United States.

Officials here will evaluate the North's attitude and discuss what the three countries are ready to offer to North Korea in case it accepts the overture.

Meanwhile, the three countries share the consensus that they would consider offering some favors to North Korea after Pyongyang first agrees to the four-way talks.

Once the four-way meeting is realized, the four countries are expected to discuss how to replace the current Armistice Agreement with a peace regime, officials said. The withdrawal of the United Nations Command and the status of U.S. forces stationed in South Korea will be also discussed they added.

ROK Daily Views Russia's 'Displeasure' Over 4-Party Talks

SK1005021396 (Internet) The Digital Choson Ilbo WWW in English 1219 GMT 9 May 96

[Editorial: "Rethinking Our Relationship With Russia"]

[FBIS Transcribed Text] Foreign Minister, Kong No-myong, returned empty handed from his trip to Moscow. In a rare show of coldness, Russian Foreign Minister, Yevgeniy Primakov refused to support the four-party talks, and went so far as to refuse acceptance of a personal letter from President Kim Yong-sam to Russian President Yeltsin. As the Cold War began to disintegrate, our Northern Policy seemed successful in its mission to stabilize national security. However, under the current administration, demonstrations like Primakov's cast doubts on whether this stability can be maintained.

One explanation for Russia's displeasure is the country's exclusion from the proposed four-party talks. Already, it has been established that the North-South issue cannot be solved between the two Koreas alone. One must recall that the current North-South situation originated from an intertwined relationship among the four major powers of Japan, China, the U.S., and the U.S.S.R. Thus, cooperation from these four are also necessary to settle the matter. Misunderstandings which have arisen by only calling upon the countries which took part in the armistice agreement to participate in the four-party talks, could have been avoided had explanations been given from the beginning.

We must also consider the possibility that Russia's discontent goes beyond their exclusion from the four-party talks, and results from the more generally perceived marginalization of the country in Korean diplomatic relations. One example is Korea's withholding of loans to Russia. Originally, $3 billion were pledged at the normalization of relations between the two nations. When about half of the money had been transferred, it became unclear if Russia would be able to repay the loans, as agreed upon by accords. In response Korea stopped the flow of funds, in spite of continuing requests for aid. However, even if repayments cannot be achieved as agreed upon in the accord, there are other methods of compensation, including cooperation in security measures, or imports of high-tech goods.

The current problems we are having could also be the consequences of a policy which lacks vision. Public opinion is critical of our government, maintaining that we bought off our normalization with Russia, at the price of $3 billion in loans. Our only hope at this point is to move beyond our bungled attempts at Russian policy and to bring mutual interests between our countries together. Perhaps Russia will then be able to respond more favorably in the future.

ROK: DPRK Counterproposal for Two-Plus-One Talks Predicted

SK0805075196 Seoul SISA JOURNAL in Korean 9 May 96 pp 22-23

[Article by reporter Nam Mun-hui: "Great Possibility That North Korea Will Come Out With a Proposal for Two Plus One Talks: North Korea May Suggest Direct North-South Dialogue With U.S. Participation, Has No Desire To Share Diplomatic Reward With China"]

[FBIS Translated Text] It has been learned that North Korea was informed by a high-level U.S. channel about the four-way talks long before the proposal was officially made, and it has been studying the issue since then. The high-level channel pointed out by South Korean sources well versed in U.S.-North Korean affairs is the channel between Thomas Hubbard, U.S. deputy assistant secretary of state, and Kim Kye-kwan, North Korean vice minister of foreign affairs. According to these sources, it was in late March that North Korean Vice Foreign Minister Kim Kye-kwan was told by Deputy Assistant Secretary Thomas Hubbard that the four-way talks would be officially proposed at the South Korea-U.S. summit to be held on 16 April. In the course of White House security assistant Anthony Lake's visit to Seoul last February and South Korean Foreign Minister Kong No-myong's 24-29 March visit to the United States, the United States reportedly confirmed the ROK Government's firm desire for four-way talks and immediately told the North Korean side about them. Thus it was at least about 15 days before the four-way talks were officially proposed at the ROK-U.S. summit that North Korea had already been examining the proposal.

There is clear evidence that North Korea had already been deeply examining the four-way talks before the proposal was officially made. Yi Sam-no, the North Korean ambassador to Thailand, precisely a day before the South Korea-U.S. summit was held, attracted attention by talking about such a specific option as "direct North Korea-U.S. negotiations and South Korea's participation as an observer." South Korean specialists on North Korea construe Yi Sam-no's remarks as specifically disclosing the intent of the core of North Korean power circles. They note that Yi Sam-no was in the same class with Kim Chong-il at the Kim Il-song University. They also note he is very influential in the North Korean Foreign Ministry, is well versed in U.S. affairs, and whatever he has said on sensitive pending diplomatic issues has always turned out to be pretty accurate.

The specific reason South Korean specialists on North Korea consider Yi Sam-no's remarks particularly noteworthy is because of what Yi Sam-nom did in late March to early April. It has been recently confirmed that Yi Sam-no secretly met high-ranking North Korean officials in a third country in late March. It is extremely unusual for a high-ranking North Korean diplomat serving as an ambassador to a foreign country to visit a third country without any specific official reason. Accordingly, it is highly likely that Yi Sam-no's visit to a third country was to hear what he had to say and to tell him about the intention of the core of North Korean power circles after U.S. Deputy Assistant Secretary Thomas Hubbard offered to North Korea the information on the four-way talks.

However, as for what has been suggested by Yi Sam-no, it can be said that a problem still exists, because South Korea, which insists on direct North-South dialogue, would not agree to "participate in direct North Korea-U.S. negotiations as an observer," even if the suggestion was made as an option by the core of North Korean power circles as a result of being persuaded by the United States after the information on four-way talks was offered to North Korea. Accordingly, following the option put forth by Yi Sam-no, the United States, through behind-the-scenes channels, has reportedly been urging North Korea to come out with a more realistic option acceptable to South Korea. The channel the United States used for this purpose was Bob Carlin, deputy chief [as published] of the Bureau of Intelligence and Research in the State Department. Bob Carlin visited Pyongyang to discuss the timetable for handling pending issues between the United States and North Korea, not to discuss the matter of the four-way talks. However, it is certain that the four-way talks issue was also discussed during his visit. During this discussion, the United States reportedly pointed out that it would be absolutely not feasible to implement the option over the four-way talks mentioned by Yi Sam-no because of South Korea's opposition. The United States reportedly urged North Korea to agree on a third idea which would make it possible to hold direct North-South dialogue with U.S. participation. It has been learned that the United States told North Korea that the South Korean Government would be urged to provide the North with various gifts, if North Korea would agree to holding a North-South dialogue first.

Thus, North Korea has been told about the U.S. intention during Bob Carlin's visit. However, this was not good enough for North Korea to understand the clear U.S. position. This was why on 18 April North Korea tentatively released its Foreign Ministry spokesman's deferring statement and immediately sought the real U.S. intention through Han Song-yol, minister counselor to the North Korean Mission in the United Nations. Han Song-yol's 19 April meeting with Christenson, deputy chief of the U.S. State Department's Korea Section, was held precisely in this context. North Korea has continued to grasp the true intentions of the United States during the U.S. visits by Kim Chong-u, chairman of the Committee for the Promotion of External Economic Cooperation, and by Yi Chong-hyok, vice chairman of the Asia-Pacific Peace Committee.

While pressing North Korea for its North-South dialogue-first policy, the United States has also reportedly continued to negotiate with the South Korean Government on various rewards to be offered to North Korea. An example is the meeting held some time ago between Yu Chong-ha, South Korean senior presidential secretary for foreign affairs and national security, and U.S. Ambassador Laney. At this meeting, the U.S. side reportedly told the South Korean side that South Korea needs to offer rewards to North Korea to realize North- South dialogue.

As a result of these behind-the-scenes negotiations held so far with the United States in the center, North Korea will reportedly disclose its final position over the four-way talks sometime between late April and early May. The two most likely suggestions presently being studied by the North Korean side are to hold direct dialogue between North Korea and the United States with South Korea as an observer, as suggested by Yi Sam-no, or to hold direct-North-South dialogue with U.S. participation. With respect to this, a South Korean source versed in North Korean affairs said that, to his knowledge, North Korea is currently seriously contemplating whether it should first propose holding direct North Korea-U.S. dialogue with South Korea as an observer, and then, if this is rejected by South Korea, consequently propose holding direct North-South dialogue with simultaneous U.S. participation, or whether it should just suggest holding direct North-South dialogue with simultaneous U.S. participation. This source said that the North Korean position is currently considerably slanted toward holding direct North-South dialogue with simultaneous U.S. participation. This source said, however, that it is impossible to completely rule out the possibility that North Korea may attempt to turn the tables and thus may come out with a counterproposal for holding direct dialogue between the United States and North Korea and seeking South Korean and Chinese endorsement afterward.

A clue that North Korea is studying the possibility of holding North-South dialogue with simultaneous U.S. participation can still be found in that Yi Chong-hyok, vice chairman of the Asia-Pacific Peace Committee, was optimistic about North-South dialogue and officially confirmed North Korea's proposal to our government for resuming Beijing rice talks during his recent visit to the United States. It is very likely that what Yi Chong-hyok mentioned is aimed at finding an excuse to present a counterproposal to the four-way talks.

No matter what may be proposed as a result of the behind-the- scenes contacts held so far between North Korea and the United States, it is almost certain that a counterproposal will be made involving three-way talks between North Korea, South Korea, and the United States, excluding China. This is because the United States and North Korea agree that there is no reason to share the two countries' diplomatic rewards with China. If this proves true, it is very likely that South Korea's diplomatic efforts to have China bring North Korea to the four-way talks table will end in failure. The South Korean Government's efforts to persuade North Korea appeared to be relying not on the United States but on China, or appeared to be trying to persuade North Korea by its own effort even in the course of seeking the four-way talks. Now, this deviation in South Korea-U.S. cooperation serves precisely as the cause of the negative view that it still would be difficult to settle the issue of peace on the Korean peninsula, even if three-way talks are held under the U.S. leadership.

ROK: Korea's Future 'Once Again' in Hands of 'World Powers'

SK1005012896 Seoul THE KOREA TIMES in English 10 May 96 p 2

[Report by Political Editor Chong Un-pong; from the "News in Review" column: "Power Nations Try To Have a Say in Korea's Future"]

[FBIS Transcribed Text] Foreign Minister Kong No-myong appears not to have been successful in winning the hearts of Russia with regard to the four-way talks to discuss a new peace regime on the Korean peninsula.

No doubt Russia, which is responsible for the Korean division and subsequent Korean War, has been fuming because it was left out of the four-way talks.

Presidents Kim Yong-sam and Bill Clinton announced in their summit in Cheju island last month that only China and the United States are to take part with the two Koreas because they are signatories to the Korean Armistice Agreement.

In order to patch up a possible rift, Kong flew to Moscow. But the reception was understandably cool. He even failed to deliver a personal letter of President Kim to Boris Yeltsin. The Foreign Ministry said Yeltsin was on the road at the time for the presidential election campaign.

It is yet to be seen what havoc Russia will wreak on the future of Korea, as it has shown signs of restoring the frozen ties with Pyongyang.

Instead of winning Russia's understanding, it may be apt to say that Kong was won over in his meeting with Russian Foreign Minister Yevgeniy Primakov.

Russia's hurt feelings are understandable. It was Russia and the United States that drew the line dividing the South and the North after the fall of Japan in 1945. Besides that Russia shares a borderline with Korea and therefore cannot be indifferent to Korean issues.

It was learned that Seoul and Washington are not opposed to expanding the four-way talks to include Russia and Japan, as well as the United Nations, under whose banner U.S.-led allied forces from 16 nations stopped the North Korean invasion of the South, with Russia and China's support.

Would it be too much to venture that the current situation surrounding the Korean peninsula is comparable to the events that surrounded the eve of the shameful Japan's annexation of Korea in 1910?

Japan, China and Russia had been jockeying with each other over the Korean peninsula during the waning days of Choson Kingdom until it fell into the hands of Japan.

In some sense, the future of Korea is once again to be left to the world powers at the four-way meeting or expected expanded meeting. This requires both Seoul and Pyongyang to be reborn, burying the hatchet of the past and speaking up for what is good for both.

In this connection, the North is to blame for trying to talk only with the United States over the head of the South. The high-flying "Chuche (self-reliance)" ideology is laughable if Pyongyang stubbornly refuses to talk with the South.

Likewise, the South is also to blame for nudging Washington and Tokyo not to approach Pyongyang, arguing that the North should go through Seoul when approaching the two powers.

When the South entered diplomatic ties with Russia and China, the North was not consulted. And therefore, the North's demand for diplomatic recognition by Washington and Tokyo is understandable if the two sides are to talk on a "level playing field."

Now, a new situation surrounding the Korean peninsula is becoming critical as the North struggles to get out of its abject poverty. And it does not hesitate to say that a war is inevitable if there is no help from abroad, particularly rice, like a hungry kid wielding a dagger.

But what is developing in the domestic political arena is disappointing.

The rope linking the ruling and opposition camps is taut because the two sides are going extra miles to get the better of the other at the onset of the new National Assembly set to open June 5.

Rolling up his sleeves, President Kim Yong-sam has been aggressive in hauling opposition lawmakers-elect and independents into the ruling party to make up the margin short of becoming majority in the 299-seat National Assembly.

The reaction of the two opposition parties led by Kim Tae-chung and Kim Chong-pil was stronger than expected, shattering what little optimism people had about politics on the occasion of launching the new National Assembly.

The two Kims are threatening to boycott the opening of the new National Assembly, as well as taking to the streets to rally people's resistance.

President Kim gave the two Kims a good excuse to act irrationally, holding the opening of the National Assembly hostage. All this will only fan public disappointment with the three septuagenarian Kims. "We have heard and seen enough of them all."

ROK: DPRK's Kim Chong-u Speaks on Trade Policy

SK0905152496 Seoul THE KOREA ECONOMIC WEEKLY in English 6 May 96 p 23

["Summarized" version of speech given by Kim Chong-u, DPRK Vice Minister of the State External Economic Commission, at George Washington University in Washington, D.C. on 22 April]

[FBIS Translated Text] Building a self-sufficient national economy does not necessarily mean building the economy with its door closed. A self-sufficient economy, while it is opposed to economic subjugation of one country by another, by no means precludes the international economic cooperation itself.

With the economic life of humankind becoming ever socialized on a global scale, chosen seclusion of any one country from international economic cooperation will not be assessed otherwise than as anachronistic.

The main thrust of such a shift in the policy direction can be summarized as follows:

First of all, it heralds our ambitious approach to penetrate into the capitalist market, a departure from its past reliance on the socialist market.

As a matter of fact, the world market as we see it today can be characterized as having been unified into a single market, i.e., the capitalist market.

Our first target in our intended plunge into the capitalist market is the Southeast Asian market.

Located closest to our country geographically, the Southeast Asian market transacts almost all goods and commodities of essential need to us. It also offers us a relative easiness in finding buyers of our exportable goods for the fact that the countries in this region share more or less the same degree of economic development with us. Now that most of these countries are developing nations, they can particularly serve as a springboard for us to jump into the Third World markets.

Our next efforts in making an opening to the capitalist market are targeted at the markets in advanced capitalist countries. As these markets have both high-tech and high-tech-driven elaborated goods in wide circulation, as well as a considerable amount of surplus capital looking for new investment market, they are well-justified for our attempted approach towards them, since our main objective here is the active introduction of high technology and foreign capital investment so urgently needed by our national economy.

Secondly, it is characterized by an across-the-board introduction of business forms and modes that are currently taken as universal on the international market.

North Korea (NK) already finds itself deeply associated with diversified forms and modes of foreign economic dealings.

It is true that our previous transactions in the socialist market assumed simple forms. Commodity trade based on bilateral protocols was the main mode of economic transactions, which, all in all, meant a barter trade at the state level.

In recent years, however, NK has been actively promoting diversification and multiformity in trade as part of its efforts to carry through the foreign trade-first policy.

Attaining multiformity in trade means ensuring diversity in trade forms and modes as well as in kinds of commodities.

In accordance with the policy advocating multiformity in foreign trade, various forms of trade including reselling, processing trade, transit trade, etc, have been given a full reign.

As outlined above, NK, going further than promulgating the epoch-making shift in its external economic relations and defining all its specifics to cope with the changed circumstances, is now making best efforts to provide sure guarantees for translating it into practice.

First, efforts are directed at national level towards increasing export production in proportion to the international market demand.

The fact of the matter is that NK, given its policy focusing on self-sufficient national economy and its past practices of dealings with socialist market centering on barter trade, is exceptionally vulnerable in finding the outlet for its exports in the capitalist market. However, we believe that overcoming such a limitation is only a matter of time.

We are now working hard to improve the existing production facilities by use of new technology and introduction of advanced production methods, with the result that exportable goods are produced virtually in all factories of the country while efforts are being exerted in all production sectors, both at central and local levels, for increased production by setting up new export-oriented production bases to suit their own specific conditions.

Although it is only the beginning of our ambitious penetration campaign into the capitalist market, it is undoubtedly a well initiated process; NK as a country exporting highly competitive goods is not so distant an image, provided that all export-oriented potentials are tapped fully.

Secondly, efforts are also exerted to create a favorable environment for expanding foreign economic relations with capitalist countries.

At the time when we had been dealing with socialist countries, it did not pose itself as a matter of significance to rearrange the environment of our external economic transactions.

It was not the case when NK ventured a full dress advance towards the capitalist country; our business partners were new to our socioeconomic system and economic management methods, who nevertheless had to do businesses in the territory of our country.

For all other details of improving the external economic climate for foreign entrepreneurs, there are in our view, two important points that should never go unnoticed; the first concerns the enactment, publication and enforcement of appropriate laws and regulations and the other concerns the development of the Najin Sonbong Free Economic and Trade Zone (FETZ) in full swing.

In the past we have been working hard on the formulation of laws and regulations applicable to the development and operation of the FETZ as part of our efforts to complete legislation of laws governing foreign economic relations, with the consequence of which basic laws have already been able to be publicized in this regard.

This process is now being extended to cover other areas and sectors than the FETZ in full force.

In its effort to carry through the policy of effecting a decisive turn in the external economic relations, NK [put] forth the credit-first principle that makes it an unbreakable rule for concerned officials to strictly maintain good credit rating in their external economic activities.

In this regard, the government has taken a series of measures aimed at doing away with all phenomena giving rise to poor credit rating, namely, conclusion of import/export contracts without in-kind or cash guarantees, siphoning export goods into domestic consumption, and defaulting payment obligations by diverting foreign currencies to ill-defined uses.

So far there have been farfetched hypotheses and views conceived by quite a few people with regard to NK's external economic strategy.

But facts and figures verify that NK's external economic exchange and cooperation has failed to be up to the standard not because of its "closed economy" but because of the economic embargo imposed upon it by outside forces.

DPRK Reportedly Asks ROK Religious Group for 'Emergency' Aid

SK1005064796 Seoul KBS-1 Radio Network in Korean 0600 GMT 10 May 96

[FBIS Translated Text] It has been learned that North Korea asked the ROK's Pan-Religious Council for the Promotion of Supporting Flood Victims of North Korea for additional rice aid. This council consists of six religious orders in the country, including Christians and Catholics.

Yi Yun-kyu, chairman of the executive committee of the pan-religious council, said he received on 7 May a facsimile from a ranking North Korean official visiting the United States, in which the official requested emergency rice aid and other relief goods for flood victims.

The Pan-Religious Council for the Promotion of Supporting Flood Victims of North Korea will ask the government to allow nongovernmental organizations to directly provide North Korea with flood relief goods, including rice.

ROK: Senior DPRK Foreign Ministry Official To Visit Japan in May

SK1005011996 Seoul THE KOREA HERALD in English 10 May 96 pp 1, 2

[FBIS Transcribed Text] A senior North Korean Foreign Ministry official will be visiting Tokyo late this month. He will be the first North Korean diplomat to visit Japan since talks on normalizing ties between the two countries broke down in 1992.

Kim Pyong-hong, international bureau director of the North Korean Foreign Ministry is to attend an international symposium on Korean and Northeast Asian affairs to be held by a private research institute in Tokyo May 24-25 a South Korean government source said yesterday.

During his stay in Tokyo Kim is expected to meet with officials from the Japanese government and ruling coalition parties to discuss the resumption of normalization talks.

Kim is leading the North Korean delegate to the talks with U.S. officials in New York this week on the return of the remains of American servicemen killed during the 1950-53 Korean War.

Kim's visit to Tokyo comes at a time when Tokyo and Pyongyang are preparing to reopen normalization talks which broke down in November 1992 when Japan brought up the issue of a Japanese woman allegedly kidnapped by North Korea to teach Japanese to North Korean agents.

Japanese newspapers reported Wednesday that the Socialist Democratic Party, a junior partner in the three-party Japanese ruling coalition, has recently decided to invite the North Korean Workers' Party to send a delegation to Tokyo in late May.

The invitation would be addressed to Workers' Party secretary Kim Yong-sun who visited Tokyo in February 1991 to meet Japanese leaders on the resumption of normalization talks.

A South Korean Foreign Ministry official said, however, the North Korean party mission is likely to be led by Yi Chong-hyok, a deputy director-level party official and vice chairman of the Korean Asia- Pacific Peace Committee.

Yi made a surprising request for rice aid from South Korea and Japan when he visited Tokyo last May.

Stopping over in Tokyo Wednesday on his way back from a U.S. trip, Yi told reporters he had also been notified of the Japanese wish to invite a North Korean party delegation.

ROK: DPRK Foreign Debt Totals $10 Billion, Unserviced for 10 Years

SK0905235196 Seoul THE KOREA ECONOMIC WEEKLY in English 6 May 96 p 22

[FBIS Translated Text] North Korea's foreign debt unpaid for more than 10 years amounted to $10 billion. As a result, creditor Western banks plan to take legal proceedings.

According to the Korea Trade and Investment Promotion Agency (KOTRA), North Korea is in debt of $3 billion with Russia, $1 billion with China, $1 billion with European countries and $500 million with Japan.

North Korea's foreign debt mostly came from loans and unsettled import payments.

Also, North Korea borrowed commercial loans from private financial institutions, but failed to pay. Thus, some 100 Western banks have gotten together in four syndicates and are preparing for a lawsuit to redeem $1.6 billion.

ROK: Chongnyon Asked To Prepare for Kim Chong-il's 1997 Birthday

SK1005062896 Seoul CHOSON ILBO in Korean 10 May 96 p 2

[Report by reporter Yi Hyok-chae from Tokyo]

[FBIS Translated Text] On 9 May, a source from the General Association of Korean Residents in Japan [Chongnyon] disclosed that North Korea will celebrate Kim Chong-il's birthday on a large scale next year, and that it had instructed Chongnyon-affiliated Korean enterprises in Japan to make full preparations for this.

According to this source, North Korea informed Chongnyon's Economic Bureau last month that it would "celebrate Kim Chong-il's birthday of 16 February 1997 on a large scale," and instructed Chongnyon-affiliated Korean enterprises in Japan "to make full preparations for this."

ROK, PRC Officials Discuss Investment, Trade Issues

SK1005011396 Seoul THE KOREA TIMES in English 10 May 96 p 8

[FBIS Transcribed Text] Senior trade and industry officials of South Korea and China met in Seoul Tuesday to discuss investments and trade issues.

In the meeting, Li Guohua, Chinese vice minister for external trade and economic affairs, asked An Kwang-ku, Korea vice minister for trade, industry and energy, to help expand Korean investment in China. He also urged Korean companies to increase their presence in mainland China.

An, for his part, expressed concern about the investment and trade environment in China and explained that Korean investment has been getting larger in scale and leaning toward highly technology-intensive industries.

Li, who will remain here until May 18, will attend the Asia Society Meeting scheduled to open in Seoul tomorrow. He will also visit a number of production facilities.

including those of Daewoo Motor and Samsung Electronics.

ROK: PRC Vice Minister Urges Investment in Western, Central China

SK1005105296 Seoul YONHAP in English 0923 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Chinese vice minister of Foreign Trade and Economic Cooperation Li Guohua asked South Korean firms Friday to invest in Western and Central China.

"I hope that South Korean business circles will lose no time in taking the lead in this respect," the official said, asking that the Korean domestic market be further opened to Chinese products.

Both Western and Central China generally have trailed their eastern counterpart in industrialization and attracting investment.

Li was giving an address at the Asia Society conference on "Asia Goes Global: Korea and the Region," at the Silla Hotel in downtown Seoul.

Trade between South Korea and China, which totaled about 17 billion U.S. dollars last year, should be developed in a stable way, she stressed, and further development of such trade would be "conducive to peace and stability in Asia."

"I am confident that so long as both sides view and address the problems with a development perspective, it is absolutely possible for China and Korea to develop economic and trade relations in a smooth and sustained manner."

She referred to both nations' economies as "strongly complementary," and that "great efforts" could be made to further bilateral cooperation in the fields of commodities, technology, capital and labor services.

Any problems arising from future collaboration should be dealt with through friendly consultations and on the basis of mutual and equality, Li asserted.

Although Korean firms are relative newcomers to the Chinese market, they might be able to compete on an equal footing with other foreign competitors in light of Seoul's recently strengthened ties with Beijing, she added.

ROK, PRC Agree on Marriage, Visa Regulations at Consular Affairs Talks

SK0805084396 Seoul YONHAP in English 0819 GMT 8 May 96

[FBIS Transcribed Text] Seoul, May 8 (YONHAP) — South Korea and China agreed Wednesday that applicants from the two countries seeking international marriage should get certificates proving their marital status only from the South Korean Embassy in Beijing and vice versa to prevent the possibility of them getting multiple certificates in consulate generals.

In an effort to check disguised marriages, which is presumably widespread among South Korean males and Chinese, mostly ethnic Korean females, the two sides also agreed on the need to come up with ways to verify authenticity of various papers proving marital status of would-be couples, said Director General Kang Ung-sik of the ministry's Overseas Residents and Consular Affairs Bureau.

Kang, emerging from the two-day consular affairs talks with his Chinese counterpart Zhang Hongxi, said that the two sides also decided to sign an agreement to issue multiple visas to promote personal exchange as soon as possible.

Ways to expedite issuance of visas were also discussed during the talks.

Seoul and Beijing expressed the hope to sign a judicial cooperation agreement to cope with the ever increasing number of international crimes involving people from the two countries, according to Kang.

The Chinese side demanded during the talks that the Seoul government make efforts to increase the number of Chinese workers allowed in South Korea to help ease the labor shortage in the country.

The Chinese delegation called for wage hikes for Chinese workers employed by South Korean firms.

The Seoul side meanwhile demanded that the Beijing government come up with measures to prevent Chinese workers from fleeing from the workplaces they are assigned to.

South Korea and China agreed that the former make efforts to crack down on Chinese staying in the country illegally and that the latter come up with measures to check the Chinese from using counterpart documents to enter South Korea in an illegal manner.

South Korea also demanded that the Beijing government take special precautions against the possibility of South Koreans traveling in China, especially northeastern provinces, being kidnapped or attacked by North Koreans, citing the case of Pastor An Sung-un who was allegedly abducted by North Korean agents in Yanbian, Jilin Province, last summer.

The number of South Korean tourists to China rose 70 percent to nearly 400,000 last year from the previous year and the number is expected to exceed one million in the next few years.

The Chinese side replied that it is making every effort to protect foreigners visiting China especially after it adopted the policy of openness and reform.

The two agreed to hold a third round of consular affairs talks in Beijing next year.

ROK: Prosecution Arrests Ex-Attache at New Zealand Embassy

SK1005014696 Seoul YONHAP in English 0029 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Choe Sung-chin, a former administrative attache at the Embassy in Wellington who was allegedly involved in forging of an official document, returned home Friday morning.

Choe was deported after his request for political asylum was turned down by the New Zealand Government and arrived at Kimpo Airport at 7 AM Aboard Korean Air Flight 622 from Auckland.

Upon arrival at the airport, Choe pleaded innocent to charges of forgery, saying, "Not a single letter was changed in the document I handed to Rep. Kwon No-kap...the truth will be revealed in accordance with the law.

"The government sent senior Foreign Ministry officials to New Zealand, who attempted to lure me into falsely admitting that I forged the document in a prearranged conspiracy with Kim Tae-chung. If I did so, they said, the charges brought against me would be dropped," Choe said, adding, "I've returned home determined to die for the settling of democracy in our country."

Choe was said to have made a disturbance on the plane, shouting, "The civilian government is kidnapping me, an innocent man."

The former diplomat looked haggard with a beard. He maintained his composure smiling even while being taken away by prosecution investigators.

The investigators arrested Choe on the plane and took him to the Seoul District Prosecutor's Office.

Choe claimed that the government, in an attempt to postpone the June 27 local elections last year, dispatched a document to overseas missions instructing them to report on election systems in the host countries. He delivered the document to Rep. Kwon of the then Democratic Party, but the authorities have claimed that it was doctored.

ROK: NCNP Criticizes New Zealand Over Diplomat Asylum Case

SK0905234596 Seoul YONHAP in English 1111 GMT 9 May 96

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — The opposition National Congress for New Politics (NCNP) criticized the New Zealand Government Thursday for turning down the political asylum sought by Choe Sung-chin, a former South Korean embassy staffer in Auckland accused by the Seoul government of having doctored and leaked a sensitive diplomatic document.

"Our party believes that the recent measure taken by the New Zealand Government against Mr. Choe was an act of hurting significantly the credibility of New Zealand as a democratic country," NCNP spokesman Chong Tong-yong said.

Chong said his party cannot agree with the judgement drawn by the New Zealand Government that "even if Mr. Choe were taken back home, he won't be persecuted."

"In view of the attitude of our government which insists that Mr. Choe's declaration of conscience is false, there is the probability that the government would attempt to force Choe to reverse his statement on the document at issue," Chong said.

He warned that his party won't tolerate it if the government places Choe under physical detention or try to force him to reverse his "declaration of conscience."

NCNP had something to do with Choe's case. It was through a senior NCNP official that Choe leaked the confidential document. And, the prosecution vows to find out through questioning Choe if any NCNP officials willingly collaborated in the doctoring and leaking of the paper.

ROK: Cambodia's Decision To Establish Ties Analyzed

SK1005133096 Seoul CHUNGANG ILBO in Korean 10 May 96 p 2

[Article by Kim Song-chin: "Background Behind Cambodia's Establishment of Diplomatic Ties with the ROK"]

[FBIS Translated Text] The establishment of semi-diplomatic relations between the ROK and Cambodia signifies the consummation of our diplomacy toward Indochina, which we actively pushed ahead. Following the establishment of diplomatic ties with Vietnam and Burma, we now have diplomatic relations with all the countries on the Indochinese Peninsula.

Cambodia, through a statement released by its cabinet on 9 May, announced it will set up diplomatic ties with the ROK. This is understood as the Cambodian Government's choice of practical interests over moral obligations [to North Korea]. The Cambodian Cabinet's decision is unprecedented, especially when taking into account the brotherly relations that had been maintained between Kim Il-song and King Norodom Sihanouk.

The Cambodian Cabinet may have arrived at such a decision regardless of domestic opposition, being attracted by China's policy on opening-up and reform and Vietnam's "Doi Moi" reform policy.

Another factor that encouraged Cambodia to seek diplomatic relations with the ROK is the ROK's normalization of diplomatic ties with socialist countries in Southeast Asia, such as Vietnam and Laos. Our government is currently showing great interest in developing the Mekong River, and increasing its investment in this area by setting up an ROK-only industrial complex in Vietnam. Deeming our capital essential to the development of its economy, the Cambodian Government seems to have recognized that improving relations with the ROK is something that can no longer be delayed.

ROK: EU Alleges Favoritism Toward U.S. in Telecom Procurement

SK1005085896 Seoul YONHAP in English
0820 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — The European Union (EU) Thursday took Seoul's telecommunications equipment procurement policy to the World Trade Organization (WTO) to resolve a dispute, insisting that Seoul provide the same level of most favored nations treatment as promised to the United States, the Foreign Ministry said Friday.

The EU has demanded that it be given the same treatment in the South Korean telecommunications equipment procurement market as was given to the United States in the 1992 bilateral agreement between Seoul and Washington.

The EU has cited General Agreement on Tariffs and Trade (GATT) regulations to support its demand, but South Korea has insisted that the telecommunications market is not covered by GATT regulations.

The two sides will have a third round of telecommunications market talks on May 21 and 22 and are expected to enter into dispute settlement procedures under the WTO framework afterwards.

WTO regulations stipulate that negotiations begin within 30 days of the date the complaint was filed and if the negotiations fail to produce results, a dispute settlement panel will be established within 60 days of the date the complaint was registered.

ROK, Canada To Hold Meeting on Trade, Investment

SK0905015796 Seoul YONHAP in English
0137 GMT 9 May 96

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — Deputy Foreign Minister for Economic Affairs Choe Tae-hwa flew to Ottawa, Canada Thursday, to attend a bilateral working group meeting on strengthening a special partnership in trade and investment, a Foreign Ministry spokesman said.

The fifth meeting of the Korea-Canada Special Partnership Working Group, to be held Friday, will review the implementation of bilateral agreements on cooperation in industrial technology and agriculture, the spokesman said. The agreements were signed in October 1995 when President Kim Yong-sam made a state visit to Canada.

The meeting will also address ways to enhance cooperation in projects involving Official Development Assistance (ODA) and the Korean Peninsula Energy Development Organization (KEDO), according to the spokesman.

Ways for easy access to each other's market will also be discussed during the talks.

The working group was launched in May 1994, six months after a Korea-Canada summit meeting agreed to establish such a group in Seattle, Washington. The summit was held on the sidelines of the annual Asia Pacific Economic Cooperation (APEC) forum.

Two-way trade volume between South Korea and Canada totaled 4.4 billion dollars last year, up 29 percent from 1994.

ROK: Yi Su-song Meets With Turkish Prime Minister Yilmaz

SK1005053896 Seoul YONHAP in English
0450 GMT 10 May 96

[FBIS Transcribed Text] Ankara, May 9 (YONHAP) — Prime Minister Yi Su-song conferred with his Turkish counterpart M. Yilmaz Thursday afternoon and solicited Ankara's support for the proposed four-way talks for a permanent peace regime on the Korean peninsula.

Yilmaz fully understood the contents and background of the peace overture and committed Turkey's support of the offer, Song Tae-ho, Yi's chief secretary, said.

Yi is visiting Turkey from Thursday through Monday on the first leg of a 16-day four-country tour that will take him to Poland, Hungary and Romania as well.

The two prime ministers are scheduled to hold an expanded meeting Friday morning, which, according to officials accompanying the prime minister, will discuss opening direct Seoul-Ankara flights, the conclusion of an atomic power cooperation agreement, and joint advances by private businesses into black sea coastal and central Asian countries.

The meeting is reportedly expected to produce an accord to launch up to four direct weekly flights between Seoul and Ankara within the year.

With South Korea's participation in the construction of atomic power plants in Turkey in mind, the two countries are also expected to agree on expediting the conclusion of an accord on cooperation in the nuclear power sector, Cho Chang-pom, director-general of the Foreign Ministry's European Affairs Bureau, said.

Turkey plays a key role in the Black Sea economic cooperation setup and has influence with some Central Asian countries which are ethnically similar to it.

The two governments are likely to agree to actively support their enterprises' bid to make joint inroads into countries in the Black Sea and Central Asian regions, sources said.

ROK: President of Palau Arrives on Visit

SK0905011996 Seoul THE KOREA HERALD in English 9 May 96 p 2

[FBIS Transcribed Text] President Kuniwo Nakamura of Palau arrived in Seoul yesterday on a four-day working visit.

During his stay, he will meet with President Kim Yong-sam and Foreign Minister Kong No-myong to discuss matters of mutual concern between South Korea and the island nation in the West Pacific.

He is also scheduled to visit industrial plants and education facilities in and around Seoul, a Foreign Ministry official said.

ROK: NCNP Urges Kong To Resign Over Russian 'Diplomatic Failure'

SK1005024196 Seoul YONHAP in English 0225 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — The major opposition National Congress for New Politics (NCNP) has virtually demanded Foreign Minister Kong No-myong resign for his "diplomatic failure" on a recent trip to Russia.

"Minister Kong should decided his course of action for his defamation of our national dignity," NCNP Spokesman Chong Tong-yong claimed. The opposition spokesman was referring to Kong's failure to convey President Kim Yong-sam's personal letter to Russian President Boris Yeltsin during his recent trip to Moscow.

The spokesman claimed, "The fact that he went to a foreign country without having prior consultations as the foreign minister of a country and came back after being given a red face is an insult to the whole country after all."

"Kong should also assume responsibility for deteriorating inter-Korean relations as well," he said.

ROK: Ministry Spokesman Dismisses NCNP Remarks on Kong's Russia Visit

SK1005085496 Seoul YONHAP in English 0817 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Foreign Ministry spokesman So Tae-won dismissed Friday claims by the main opposition National Congress for New Politics (NCNP) that Foreign Minister Kong No-myong undermined the country's dignity by failing to convey President Kim Yong-sam's personal letter to his Russian counterpart Boris Yeltsin during his recent tour of Moscow.

"Foreign Minister Kong conveyed President Kim's personal letter to Russian President Yeltsin through Russian Vice Foreign Minister Panov who visited Kong just before Kong left Moscow Wednesday," So said.

So also insisted that the Russian Government expressed regret over the fact that Yeltsin could not find time to receive Kong because of a tight presidential campaign schedule.

Kong was originally to pay a courtesy call on the Russian president while in Moscow, according to So.

The NCNP Friday demanded Kong's resignation and denounced the foreign minister for disgracing the country's dignity by failing to deliver President Kim's personal letter to Yeltsin.

The nation's largest opposition party Thursday issued a statement which was suspicious about the real intention of the New Zealand Government's deportation Thursday of former South Korean administrative attache Choe Sung-chin who sought political asylum last July immediately after the Foreign Ministry in Seoul brought a complaint with the prosecution against Choe for an alleged document forgery case.

Key members of the NCNP and the Foreign Ministry brought counteractions against each other in connection with the Choe case.

ROK: Opposition Parties Launch Probe of Alleged Election Fraud

SK1005034196 Seoul YONHAP in English
0237 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — The three opposition parties launched a 1[illegible]-day probe Friday of what they allege constitutes election fraud in 23 constituencies across the nation.

A six-man opposition fact-finding committee on campaign irregularities met at the National Assembly in the morning to decide on the probe.

For the probe, the three parties — National Congress for New Politics (NCNP), United Liberal Democrats (ULD) and Democratic Party (DP) — have each formed a five-member fact-finding team.

These teams will soon be sent to Songdong-B of Seoul, Chongwon of North Chungchong and Haeundae-Kijang-A of Pusan for on-scene investigations.

Lawmaker-elect Cho Chan-hyong of the NCNP said the teams would tour three districts a day.

In a statement issued following the six-man committee's meeting, the three parties said the election had been rigged in the 23 districts in the recent general elections, adding that they have evidence supporting their claims of election fraud.

The ruling New Korea Party candidates who were elected in these districts should all be arrested on election law violation charges, they demanded.

ROK: ULD Official Urges Kim Tae-chung, Kim Chong-pil To Step Down

SK1005090396 Seoul YONHAP in English
0744 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Senior Vice President Kim Pok-tong of the opposition United Liberal Democrats (ULD) called on Kim Tae-chung and Kim Chong-pil to step back from the active leadership of the opposition camp for their parties to merge with one another and set a third person as the new party's candidate in the next presidential election.

Talking with reporters, Kim argued that "under the current circumstances, there is no chance for the opposition camp to win the 1997 presidential election even if a unified candidate runs for the election, not to mention if both Kims run separately."

"It is certain that neither of the two Kims will be able to win the election. The only and best choice is that the two Kims together support a third person as a presidential candidate," he asserted.

"Given that the nation is divided into South and North, the nation's future will not be bright if we are also caught up in a squabble between east and west," he said.

The politician called for the merger of the ULD and the National Congress for New Politics (NCNP) by saying that now that North Kyongsang and Chongchung Provinces have united into a single block after the now-defunct new Democratic Party and ULD were united last year, harmony between eastern and western regions can be achieved if the Cholla Provinces join the trend.

Kim added that he is willing to be a mediator for the unity of opposition parties.

ROK: Lawyers Doubt Constitutionality of No's Extended Arrest

SK1005064896 Seoul YONHAP in English
0617 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Chon Sang-sok and other lawyers representing former Presidents Chon Tu-hwan and No Tae-u and their aides accused of bribery, mutiny and treason applied for a court's examination Friday to determine whether or not the Seoul District Court's action extending the detention period for No and his former chief bodyguard Yi Hyon-u is constitutional.

In the application submitted to the Seoul District Court's Criminal Panel No. 30 presided over by Judge Kim Yong-il, they claimed the court's action goes against the constitution which stipulates that the court shall issue an arrest warrant or extend its legal deadline at a public prosecutor's request.

The court took the action in exercise of its authority under the criminal procedure code.

The defense lawyers also requested that the Seoul District Court set Chon, No and 10 others free on bail or their own recognizance as soon as their bribery, mutiny and treason trial is finished.

ROK: Ministry Neither Confirms, Denies Report on Missile System

SK1005004796 Seoul THE KOREA TIMES in English
10 May 96 p 1

[FBIS Transcribed Text] The Defense Ministry yesterday would neither confirm nor deny a report by JANE'S DEFENSE WEEKLY, a London-based trade magazine, that South Korea has produced its first surface-to-air missile system with a range of 10 kilometers.

A spokesman said that the ministry deemed the report not to need comment. However he noted that a missile produced as part of a long-term K-SAM project code-named Chonma has been test-fired last year and that this had been reported in the mass media.

Korea has been working with France on a project to develop and locally produce anti-aircraft missiles for some time. A start to mass production is planned in 1998.

ROK Daily Urges Government To 'Actively' Consider Missile Development

SK1005062696 Seoul CHUNGANG ILBO in Korean 10 May 96 p 6

[Editorial: "Let Us Activate Missile Development"]

[FBIS Translated Text] A recent issue of the British military magazine JANE'S DEFENSE WEEKLY reported the development of the ROK-made surface-to-air Pegasus (Chonma) missile. This has great significance in strengthening our short-range anti-aircraft defense capability, a blind spot in our air defense network. Our current anti-aircraft defense network is composed of low-altitude defensive Vulcan guns in addition to high-altitude Hawk missiles with a range of 10 km or more, but is short on middle and high-altitude defensive weapons with a range between 5 to 8 km. Accordingly, the development of the Chonma will enable us to supplement our middle- and high-altitude defensive capability.

In addition, 100 percent of the missile body, launching ramp, and radar of the Chonma has been manufactured within the ROK, the exception being the imported guidance system, thus demonstrating our technology to the world. U.S. and European weapons manufacturing companies are concerned about the possibility that the Chonma may become a strong rival for their missiles in the international arms market.

Missiles and nuclear weapons have recently emerged as a primary issue in worldwide arms control. The Military Technology Control Regime [MTCR] inaugurated in 1987 restrains the exports of parts and technology for ballistic missiles with a range of 300 km or more and a carrying capacity of 500 kg or more.

Currently, the countries that do not follow the MTCR are the PRC and North Korea. However, the PRC has recently expressed its willingness to follow it, leaving North Korea as the only country that will not observe the MTCR. A series of Nodong missiles which North Korea has recently developed has a range of over 1,000 km, capable of reaching not only the ROK but also Japan. North Korea also exports remodeled SCUD missiles to Iran and Syria in large quantities.

Compared with this, the actual status of our missiles is quite deficient. The ROK-U.S. missile memorandum restrains the ROK's development and possession of guided weapons with a range of 180 km or more, falling far short of the limits set by the MTCR. This is a problem that concerns not only the country's dignity but also its independent national defense. We should develop and possess missiles at least within the MTCR limits so as to exercise our right to deter provocations by North Korea.

The April national meeting of the Korean Veterans Association also suggested revising the ROK-U.S. missile memorandum and developing ROK long-range missiles. With the development of the surface-to-air Pegasus missile as momentum, we should again actively consider developing medium-range missiles for self-defense and the development of our space industry.

ROK: Kim Yong-sam Suggests New Labor Culture Drive

SK0905054996 Seoul YONHAP in English 0512 GMT 9 May 96

[FBIS Transcribed Text] Seoul, May 9 (YONHAP) — President Kim Yong-sam suggested Thursday that the recently formed labor reform commission launch "a new labor culture" drive to usher in new labor-management relations.

"Most important is for labor and management to break away from their established attitudes and practices and become more open-minded. With this goal in mind, a new labor culture drive is in order," President Kim said, asking the reform commission to work out specific programs for the drive.

Kim made the suggestion after presenting letters of appointment to 30 members of the presidential commission on reform of labor-management relations, including Chairman Hyon Sung-chong, 77, a former prime minister. The ceremony took place at the presidential office, Chongwadae [presidential offices].

"Businesses must induce workers' spontaneous participation and cooperation by humane and open management practices, and the union movement must transform itself into one that contributes to the development of the national economy and enjoys public support," Kim said.

The chief executive asked his labor affairs advisory body to focus its efforts on creating a national consensus on new labor-management relations that is suitable for the 21st century.

Pointing out that the reform of labor-management relations has become a core government strategy for national development, the president asked the commission to mobilize their expertise and wisdom to make the labor reforms successful.

Kim instructed Labor Minister Chin Nyom and his senior labor affairs secretaries to extend all possible support to the labor-management reform commission.

ROK: Na Ung-pae Discusses Foreign Capital, Overseas Investment

SK1005055096 Seoul YONHAP in English 0434 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — Finance and Economy Minister Na Ung-pae said Friday that an excessive influx of foreign capital into the nation would hurt the economy in the long term.

Such an influx would lead to an undesirable appreciation of the won and further worsen the current account deficit, he argued, adding that Seoul's concern is how to adopt capital market liberalization without hurting the nation's competitiveness and economy.

He was addressing the Asia Society conference "Asia and the Region: Korea Goes Global" at the Shilla Hotel in downtown Seoul.

On whether the government would allow further investment overseas by Korean firms, Na said that too many companies are making such investments through heavy borrowing, calling such ventures "risky." He requested that firms first improve their equity situation before deciding to pour money abroad.

ROK Imposes Partial Ban on Fruit Imports From New Zealand

SK1005025196 Seoul THE KOREA HERALD in English 10 May 96 p 8

[FBIS Transcribed Text] The Ministry of Agriculture, Forestry and Fisheries has imposed a partial import ban on New Zealand-grown fruits as a hazardous insect was found in Auckland.

Mediterranean fruit flies, which cause fatal damage to fruit and vegetables, have been detected in the Auckland area, said a ministry spokesman yesterday.

"Imports of New Zealand's kiwis, persimmon and other host fruits of Mediterranean fruit flies, which were grown within a 80-km radius of Auckland will be totally banned," the spokesman said, adding that the import ban will take effect immediately.

"But the fruit products, produced outside Auckland's 80-km radius, will be allowed to be imported after a thorough quarantine check-up," he said.

New Zealand-grown fruits, carried by travelers arriving from Auckland to Seoul, will also be required to undergo a strict quarantine check, he noted.

ROK: Minister Defends Policies on Foreign Fruit Imports

SK1005001496 Seoul THE KOREA TIMES in English 10 May 96 p 8

[Report by staff reporter Sim Chae-yun]

[FBIS Transcribed Text] Sunkist Growers Inc., the largest collective of orange producers in the United States, has lodged a strong complaint against what it terms to be very discriminatory and protectionist import policies.

A senior official of the company criticized Korea's competitive low-bidding system under which only the lowest-price oranges are bought at auction and make it into the Korean market, said the Journal of Commerce in its May 8 issue.

Even though Sunkist handles some 60 percent of the fresh oranges grown in the United States, the company said it did not export a single box of oranges to Korea in 1995 — the first year the market was opened — since its prices and quality tend toward the higher end, according to the edition of the paper acquired by the Korea Foreign Trade Association (KFTA) yesterday.

"We will never be the lowest-priced bidder, and therefore the system prevents companies like Sunkist from participating," the paper quoted Bill Quarles, vice president of corporate relations, as having said.

Exporters believe the system could damage the long-term viability of the market for U.S. shippers since the low-priced oranges being admitted may tend to be of poor quality and thus could give the U.S. product a bad reputation.

In response, a Korean official at the Ministry of Agriculture, Forestry and Fisheries said there is no problem with the policies for the import of fruits including U.S. oranges as the bidding system followed is fair and open.

"Discussing the trading of oranges, Korea and the United States agreed it would be conducted on the basis of state trading during negotiations at the Uruguay Round last year," Cho Won-han of the Ministry's Fruit and Flower Division told THE KOREA TIMES.

The agreement came through bilateral negotiations to protect the citrus grown on Cheju Island, according to Cho.

Korea's market access commitment under the Uruguay Round World Trade Agreement obliged the country to import 15,000 metric tons in 1995, and to increase this number by 5,000 this year and another 5,000 in 1997.

After that, the volume it imports will increase by 12.5 percent each year. The current tariff of 50 percent will apply on all oranges imported through 1997.

Cho revealed that of the 20,000 tons which is to enter this year, 17,000 tons have already been imported.

Quarles was quoted as having said that the central problem with Korea's import system, however, is the fact that the exclusive import rights rest with a single entity, which happens to be the group of farmers who grow all the country's oranges.

The association, called the Cheju Island Citrus Growers Cooperative, represents a tiny community of growers on a volcanic island off Korea's southern coast. The threat to the growers from the island's growing tourist appeal was one reason the government decided to grant compensation to the growers in the form of exclusive import rights, the paper reported.

In response, the ministry official said that it is not correct for the paper to assert that the association represents only a tiny community of citrus growers. "It represents all the growers in the nation. Cheju Island is the only place where citrus are grown," Cho stressed.

ROK Ranks 5th in World Steel Production in 1st Quarter

SK1005064396 Seoul YONHAP in English 0524 GMT 10 May 96

[FBIS Transcribed Text] Seoul, May 10 (YONHAP) — South Korea has become the world 's No. 5 steel maker.

The Korea Iron and Steel Association (KISA) said Friday that the nation clinched the number 5 position by producing 9.78 million tons of steel during the first quarter of this year, a record quarterly high and up 10.3 percent from the previous year, moving ahead of Germany's 9.71 million tons, a 9.8 percent decline.

Until last year Korea ranked sixth in the world in steel production, following Japan, the United States, China, Russia and Germany, according to KISA.

The change in ranking of Korea and Germany resulted from Germany's reduction of steel production due to shrinking demand in Europe, KISA explained.

The association forecast that Korea will maintain the fifth position in terms of annual production since domestic steel production capacity is expected to increase by about 4.2 million tons this year due to an expansion of production facilities.

ROK: KOTRA Reports Increasing Investment in Vietnam

SK1005011296 Seoul THE KOREA ECONOMIC WEEKLY in English 6 May 96 p 3

[FBIS Translated Text] Korea has emerged as a major investor in Vietnam, said the Korea Trade & Investment Promotion Agency (KOTRA).

In terms of investment case, Korea marked third with 144 instances, following Taiwan (241) and Hong Kong (187) as of March.

Korea also ranked fourth along with Singapore in investment amount with $1.6 billion, after Taiwan ($3.6 billion), Hong Kong ($2.3 billion) and Japan ($2.3 billion).

Meanwhile, foreign investment in Vietnam has been rising steadily. In the first quarter, there were 88 investment applications worth $1.7 billion and the amount is expected to exceed $6 billion this year.

ROK: MOTIE Reports Market Share Rising in U.S., Japan

SK1005032396 Seoul THE KOREA ECONOMIC WEEKLY in English 10 May 96 p 4

[FBIS Translated Text] The market share of Korean products has been rising in the United States and Japan, while the export ratio to advanced nations has been decreasing since the outset of the 1990s, sources at the Ministry of Trade, Industry & Energy [MOTIE] said.

The share of Korean products in the U.S. market grew from 2.9 percent in 1993 to 3.0 percent in 1994 and again to 3.3 percent in 1995, the sources disclosed.

The share of Korean goods in the Japanese market stood at 5.7 percent in 1995, the highest annual level since the beginning of the 1990s, the sources said.

ROK: Electronics Parts Companies Moving Production Overseas

SK2104150896 Seoul THE KOREA ECONOMIC WEEKLY in English 22 Apr 96 p 8

[FBIS Translated Text] An increasing number of electronic parts companies are seeking to transfer manufacturing lines to foreign nations which offer cuts in wages and delivery time.

For the first three months of this year alone, 10 firms newly established their overseas manufacturing presence mostly in China.

Kyongin Electronics which manufactures remote controllers and switches will turn on its Mexican production lines with an annual capacity of 150,000 units in May.

The company is already operating factories in two Chinese cities.

Also building a plant in Mexico is Korea KDK with completion set by the end of April. The plant will roll out 500,000 pieces of power supply cords a month.

The company said that it will be able to take advantage of diminished payments for labor and logistics from the Mexico plant.

Daedock Electronics and Taeryong Industrial agreed to form a joint venture company, named Daedock Philippines, in the Philippines, which will produce printed circuit boards starting early next year.

Also encouraging the move abroad was the finished electronics manufacturers' increasing preference for Southeast Asian nations and Mexico for the location of their new factories under same reasons as parts companies.

"We had no other alternative but to move to Asian nations as large consumers are already there," Yi Sung-man, senior managing director of Kyongin Electronics said.

Company	Location	Establishment	Product
Kyongin Electronics	Mexico	'96 (to be set up)	Remote controllers
	China	'95	Switches, remote controllers, resistors
	China	'92	Switches
Taetong Electronics	China	'91 '95 '96	Plastic parts
	Indonesia	'91 '96	-
	Thailand	'89	-
	Malaysia	-	[no quote marks as published]
Korea KDK	Mexico	'96 (to be set up)	Power supply codes
Saehan Electronics	U.S.	'96	PCBs
	China	-	-
Glory Electronics	China	-	Car stereo systems
Taedock Ind.	China	-	PCBs
Taedock Elec.	Philippines	'93	-
Taeryong Ind.	Philippines	'93	Satellite video receivers
	Philippines	'96 (to be set up)	PCBs
Jeil Moolsan	China	'92	Switches
Korea Elect. Devices	China	'94	Computer signal cables, molding products
Chungang Electronics	China	-	PCB assembly, interphones, video phones
Korea Electronic	Indonesia	'93	Sticker systems Parts
Sunny EMI	Philippines	'94	Quartz oscillators
Hanryong Electronics	China	'95	Carbon ohmmeters
Kyongdock Magnetic	China	-	Magnetic card readers, Magnetic heads
Samyong Electronics	China	'95	Aluminum condensers
Chiyong	China	'92	High voltage transformers
Taepong Electronics	China	'95	Car stereo tuners
Kony Precision	China	'93	Quartz oscillators
Saehan Precision	China	'92 '95	Car stereos, components [years above as published]
Hojin Electronics	China	'94	Car audio housings
Taeryong	Vietnam	'95 (to be set up)	Lead wires

ROK: Corrected Version of FTC on 30 Largest Business Groups

SK2504022996 Seoul THE KOREA ECONOMIC WEEKLY in English 22 Apr 96 p 13

[Corrected version of SK2104234496, published in the 24 April EAST ASIA DAILY REPORT on p 54; explanatory note describes difference from initial FBIS version]

[FBIS Translated Text] A total of 669 affiliates of the 30 largest business groups were designated as large businesses under the Fair Trade Law in terms of asset total for this year, the Fair Trade Commission [FTC] announced on April 12.

The Hansol Group and New Core Group were newly added to the 1996 list of the 30 largest business groups, while the Woosung Group and Miwon Group were removed from the list, sources at the commission explained.

The number of affiliates belonging to the 30 largest business groups rose by 46, and the asset total of the 30 largest business groups and their affiliates was estimated at 286.9 trillion won, up 22.9 percent from a year earlier, the sources said.

Under the current rules, the 30 largest business groups and their affiliates are subject to varied restrictions stipulated by the Fair Trade Law such as limits on total investment scales and mutual payment guarantees.

Cheil Industries of the Samsung Group, and Inkel and Now Precision of the Haitai Group were designated as prominent firms which had dispersed their shareholdings in a fair manner, the sources said.

In terms of asset total, the Hyundai Group topped the list with 43.74 trillion won, followed by the Samsung Group with 40.76 trillion won, the sources said.

The LG Group, which ranked fourth last year, advanced to third place this year, and next came the Daewoo Group, which had been placed third last year.

The Hanbo Group moved up from the 8th place last year to the 14th position this year and the Jinro Group from 23rd to 19th, while the Hanil Group fell from 20th to 27th, the sources disclosed.

The combined turnovers of the 30 largest business groups expanded by 28 percent from 248 trillion won in 1994 to 317 trillion won in 1995. And their ratio of net worth to total capital rose by 0.6 percentage point to 20.5 percent.

Their outstanding bank loans grew by 8.7 percent to 35.29 trillion won in 1995, but the share of the 30 largest business groups' bank loans in overall bank loans dipped by 1.0 percentage point from 14.9 percent in 1994 to 13.9 percent in 1995, the sources added.

		No. of affiliates		Asset total (Bil. won)		
Ranking	Group	1995	1994	1995	1994	1995 turnover (bil. won)
1 (1)	Hyundai	46	48	43,743	37,221	59,068
2 (2)	Samsung	55	55	40,761	29,414	63,781
3 (4)	LG	48	50	31,395	24,351	41,618
4 (3)	Daewoo	25	22	31,313	26,144	29,413
5 (5)	Sunkyong	32	32	14,501	12,806	17,402
6 (6)	Ssangyong	23	22	13,929	10,955	15,524
7 (7)	Hanjin	24	23	12,246	10,629	8,959
8 (8)	Kia	16	14	11,427	9,814	9,377
9 (9)	Hanwha	31	29	9,158	7,282	8,274
10 (10)	Lotte	28	29	7,090	6,628	6,416
11 (11)	Kumho	27	24	6,423	5,374	3,946
12 (12)	Doosan	26	27	5,756	4,808	4,073
13 (13)	Daelim	18	17	5,364	4,638	4,127
14 (18)	Hanbo	21	13	5,147	3,013	3,001
15 (14)	DongAh Const	16	14	5,117	3,874	4,671
16 (15)	Halla	17	15	4,766	3,429	4,156
17 (17)	Hyosung	16	15	3,574	3,040	4,995
18 (16)	Dongkuk Steel	16	16	3,433	3,237	3,406
19 (23)	Jinro	14	12	3,303	2,391	1,239
20 (21)	Kolon	19	20	3,129	2,535	3,778
21 (19)	Tong Yang	22	19	2,995	2,592	2,804
22 (-)	Hansol	19	-	2,990	-	2,006
23 (26)	Dongbu	24	13	2,935	2,128	4,141

		No. of affiliates		Asset total (Bill. won)		
24 (22)	Kohap	11	10	2,924	2,503	2,315
25 (24)	Haitai	14	13	2,873	2,358	2,592
26 (25)	Sammi	8	8	2,475	2,245	1,720
27 (20)	Hanil	8	13	2,180	2,559	1,197
28 (28)	Kukdong-Const	11	10	2,158	1,966	977
29 (-)	New Core	18	-	1,966	-	1,297
30 (29)	Byucksan	16	18	1,853	1,781	1,253

Note: The figures in parentheses denote 1995 rankings.

ROK: Ministry To Set 'Reinforced' Standards for EMI, EMS

SK0305005896 Seoul THE KOREA HERALD in English 3 May 96 p 8

[FBIS Transcribed Text] The Ministry of Information and Communication (MIC) will devise new reinforced standards of the electromagnetic interference (EMI) and electromagnetic susceptibility (EMS) in accordance with that of the International Special Committee on Radio Interference by the end of June.

Both the new EMI and EMS standards will be applied to automobiles, household electric appliances, telecom equipment, medical equipment and three other items, said a ministry spokesman, noting that Korea will become the world's second country to adopt the EMS standard after the European Union.

"A growing number of countries are moving to use the EMI and EMS as nontariff trade barrier. Thanks to the new electromagnetic standards, competitiveness and credibility of Korean-made products will sharply improve in the international markets," he said.

ROK Police Charge Quarantine Officials With Negligence in Poisoning Case

SK0805042396 Seoul THE KOREA HERALD in English 8 May 96 p 3

[FBIS Transcribed Text] KUNSAN, North Cholla Province — Police booked three Korean quarantine workers yesterday in connection with the poisoning death of three crewmen of a Russian freighter here last month.

Yom Tae-hwan, 28, and two other local quarantine workers are suspected of having caused the death of the three Russian crewmen through their negligence of duty, the police said.

The three Korean workers allegedly sprayed disinfectants on a 3,800-ton timber cargo on the Tampere, a Russian freighter anchoring in this western port city, April 21.

In a cabin of the ship next morning, Mitchenko Grigoriy, 64, captain of the freighter, was found dead and four other Russians were in critical condition. Two of the four died later.

Police investigators said antiepidemics had smelled strong in the cabin at the time they found the Russian crew lying in a coma.

Police suspect that the quarantine workers missed checking out the leakage of disinfectants from a timber cargo section into the cabin.

ROK Survey Says Nuclear Plants Pose No Health Dangers to Local Residents

SK1005021896 Seoul THE KOREA TIMES in English 10 May 96 p 1

[Report by staff reporter Kim Yong-pom]

[FBIS Transcribed Text] Residents living around nuclear power plants in the nation are not being exposed to any particular health problems, a medical survey found.

Contrary to the popular notion, a survey by Seoul National University [SNU] Hospital discovered no evidence that nuclear power plants pose dangers to one's health, Ko Chang-sun, chief of the epidemic research team at SNU Hospital said yesterday.

The survey was conducted on 9,219 residents living within a 3-kilometer radius of the four nuclear plants in Yonggwang, South Cholla Province, Kori, South Kyongsang Province, and Wolsong and Ulchin, North Kyongsang Province, over a four-year period from 1990.

The medical research team found not a single case of birth defects attributable to the plants in its survey, Prof. Ko said in the announcement of his team's research result at the hospital.

According to the survey, 17 persons in the regions have shown signs of cancer, but the percentage of cancer victims in those regions is smaller than other selected areas with no nuclear plants and is even far below the national cancer rate average of 0.2 percent.

Monitoring showed that radioactive levels near the plants were also lower than other regions averaging 12.7

micro-roentgens, as opposed to 13.6 for non-nuclear areas, and far less than the 57 micro-roentgens, the maximum permissible exposure level allowed under the international standard.

The radioactive contamination at the nuclear plant regions was on a similar level to natural contamination at other areas across the nation, the monitoring by the SNU medical team showed.

"The medical team concluded that the nuclear plants pose no dangers to health, based on the survey results which showed no difference from those of Japan, the United States and Europe," the SNU medical professor said.

The survey only found that chromosomes of the residents of the plant regions number as many as 1.7 to 8.2 times than that of the average person, but the figure is not viewed as an irregularity by the standards of the International Atomic Energy Agency and the World Health Organization.

However, the SNU medical team recommended a more thorough survey and radioactive monitoring for the areas near nuclear power plants, saying that its survey was conducted on a limited number of people in a shorter time span than desired.

For a final, reliable conclusion, a more extensive survey is necessary, with over 100,000 people at least subject to medical monitoring for over a 10-year period, the SNU medical team proposed.

The survey by the SNU Hospital team came following an allegation that a baby was born without a brain in 1989 around the Yonggwang nuclear power plant due to radioactive contamination.

Burma

Burma: SLORC Reportedly Ready To Grant KNU 'Full Autonomy'

BK0905035296 Bangkok BANGKOK POST in English 9 May 96 p 7

[Unattributed report]

[FBIS Transcribed Text] Burma's ruling State Law and Order Restoration Council [SLORC] has agreed to give the Karen National Union [KNU] full autonomy in the areas it controls according to a KNU official.

However, the Burmese government wants to survey the areas and population before taking any such step, said the source.

He said SLORC also agreed to halt its offensive against the KNU.

The agreement was reached during ceasefire talks between both sides late last month in Rangoon

The third official round of talks were attended by four representatives of SLORC led by First General-Secretary of SLORC Lt- Gen Khin Nyunt and six KNU officials led by Fourth Army Division senior officer Lt-Col Saw Nay Soe.

The signing of the agreement is expected after the next round of talks, the source quoted the Rangoon side as saying.

In the next meeting for which a date has yet to be set, KNU President Gen Bo Mya is expected to confer with SLORC Chairman Gen Than Shwe.

Earlier last year SLORC representatives including Lt Khun Mya, Saw Tun Aung Chaing, Saw Aye Soe Myint, Saw Henson Tardaw, Rev Saw May Gay Gyi and Saw Richard met unofficially with KNU officials several times.

The last of the unofficial meetings took place at Ban Mae Klong in Tak's Umphang District in mid-August last year, said the source.

Since then SLORC and the KNU have held two rounds of official truce talks, the first in Moulmein, the capital of Mon State, during December 13-23 last year, and the other in Rangoon in mid-February this Year.

Burma: Fifty-Four MTA Members Surrender in Tachilek

BK0905154596 Rangoon Radio Myanmar in Burmese 1330 GMT 9 May 96

[FBIS Translated Text] Members of the MTA [Mong Tai Army] led by U Khun Sa who have come to realize the State Law and Order Restoration Council government's genuine goodwill and development to live in permanent peace and harmony for the perpetuation of national sovereignty have been surrendering all their arms to the Defense Services and continually returning to the legal fold since 5 January.

A total of 54 MTA members — Battalion Commmander Lauk Noi and 40 members from the MTA 51st Battalion, Battalion Commmander Maha Aw and two members from the MTA 1029th Battalion, Company Commander Captain Tum Khan and nine members from the Bwetawkhan group — surrendered together with 12 assorted arms and 397 rounds of assorted ammunition to military patrols in the second week of April.

A surrender ceremony of the 54 MTA members was held at Tachilek regional command hall at 1200 noon on 12 April. Lieutenant Colonel Khin Zaw, chairman of Tachilek District Law and Order Restoration Council, delivered an address. Battalion Commander Maha Aw spoke on behalf of the surrendered insurgents and asked for pardon for their wrongdoings. The ceremony came ended after the closing speech by Lt. Col. Khin Zaw.

It has been learned that the surrendered MTA members were given the necessary assistance by responsible personnel concerned.

Burma: Article Challenges Aung San Suu Kyi on 'True Democracy'

BK0805133596 Rangoon KYEMON in Burmese 7 May 96 p 5

[Article by Byatti: "Draw lots if you want to enjoy true democracy"]

[FBIS Translated Text] The lady of the house has been using democracy at will to fit her own needs and most people are confused about it. Democracy is used to compare who is taller while some think it provides eternal assistance to the unemployed. People have been asking what democracy is all about. I did not know what took place but just say that I know.

People confused about democracy has requested me to explain it to them. I don't know whether they are trying to corner me but I decided to clear their confused minds.

Democracy first appeared in ancient Greece. It has been told that in 508 B.C., Cleisthenes amended the old traditional constitution of Athens. The main aim was to give political power to the people rather than to the leader of the clans. From then, Democracy began to flourish in Athens, Greece.

(Dr. Oliver Tuplin) from Oxford University explained the definition of democracy; "demo" means people and "cracy" means rule. The professor would have committed suicide by drinking poison if he found out that some ice-water vendors in Myanmar [Burma] know more than that.

However, Archaeology Professor (Keith Hors) from Cambridge University said democracy was practiced in Athens because it was a very small state. In fact, Athens had a small population. People gathered in the town center, where religious festivals took place, and held talks, discussions, and passed resolutions on concerned matters.

It is believed Athens had an electoral system which prevented anyone from holding power for long. A 500-man council was also elected. The tenure of the council members was one year and members can be reelected only once. It was learned that women never enjoyed that privilege. The lady, the 1988 modern aerobic fashion model who has been giving weekly democracy remedies, has kept silent about this.

Moreover, all Athens residents are not considered citizens. Women, slaves and foreigners, and blood relations of these foreigners had no right to become citizens and could not participate in the political process. Basically, one must be a male to be part of Athenian democracy. It is also clearly stated that one's father must be a citizen. Those who are shouting democracy are afraid to reveal the roots of democracy because of this. That is why they keep exaggerating matters. Hypocrites beware!

Some may ask why democracy became popular amid such restrictions. It is clear. In the history of that period, the idea that gave all citizens equal political rights was a totally new concept in a world governed by absolute monarchs, feudal lords, and other minority administrative groups.

The citizens of Athens were able to debate and resolve political problems and were allowed to participate in the judicial system as well. This is similar to the appointment of judges nowadays. History Professor (Donald Cargin) of Yale University in the United States has written a book on the judicial systems in Athens.

In Athenian courts, jurors were selected by the drawing of lots from among male citizens. There could be as many as 1,500 jurors but normally a jury comprised about 500 members. It also showed clearly how powerful Athens citizens were because whatever the law was, it was ratified only at the courts. Lots were drawn not only for jury selection but also for important management and administrative officials and staff members.

Instead of voting, the system of drawing lots was applied to prevent a small hierarchical group from clinging on to power. Another factor was that all citizens of Athens were considered equal and were believed to be able to shoulder the responsibilities. The lot drawing system also gave other citizens equal rights to participate in the executive, judiciary, legislature, and administration. These illustrate Greek democracy.

There are many doubts regarding this. Haven't political experts depicted Athenian democracy as a norm to administer human society? Aren't there claims that modern day democracy, where the people elect the government, came from Athenian democracy? However, Prime Minister John Major from England, the grandfather country of democracy, and [Bill] Clinton, the President of the United States, did not get their positions by winning lots and this is considered democratic.

What flowery words — direct democracy, indirect democracy, and even new democracy. In my understanding, the fact is, do what you like by using the word democracy and it becomes democracy.

There are two types of the so-called democracies in Myanmar — "need democracy" and "undesirable democracy". The lady of the house and her follower the old night watchman, cover up all their impertinent acts with "need democracy" but they criticize, complain, and talk ill about all the government's good deeds after measuring them with their broken undesirable democracy ruler. How difficult!

Therefore, I would like to tell the people, who are confused about democracy after hearing all kinds of ridiculous stories, the way to enjoy the real essence of democracy is to draw lots.

There is no purer democracy than this. It is the genuine spirit of Athenian democracy. It excludes women, foreigners, and blood relations of these foreigners. Will the democratic stunt lady, whose democracy should be termed sneezing democracy, be able to accept that genuine and true democracy?

Burma: Article Ridicules Political Prisoners

BK0905085696 Rangoon MYANMAR ALIN in Burmese 4 May 96 pp 5, 9

[Article by Byatti: "Like Westerner, Like Mischief Maker"]

[FBIS Translated Excerpt] There are four categories of the state of befuddlement that occurs during imprisonment.

Once imprisoned, no one, no matter how strong a spirit for the democratic cause, will stand up and dance happily. Some claimed to be brave enough to catch an elephant, tiger, Godzilla, King Kong, and a dinosaur. When they are faced with the predicament of imprisonment, however, the tears start welling in their eyes, and their face turns pale like a female monkey unable to give birth. When they hear the prison door banged shut at the prison entrance, they become nervous and slip into a state of befuddlement. Such a state is called: befuddlement upon imprisonment.

As they settled into a life of imprisonment, a change develops in their mannerism. They start worrying about their families, especially those with beautiful young wives. They get suspicious when their well-groomed wives visit them, and they speak in harsh tones to their wives. They feel frustrated when they do not receive visits. So, being politicians, they resort to speaking endearingly and with allure. We have to laugh. This is the category of the lesson on befuddlement after being imprisoned for some time.

Regardless of their prison term, everyone wants to be released even before the ink on their prison number stamp is dry. They pray to the buddhas and the buddhas-to be, deities, and spiritual beings and say their prayer beads for their release. [passage omitted on manipulation under desire for release] They are afraid of long- term imprisonment. These are characteristics of befuddlement out of the desire to be released.

Some start giving trouble to others when they run out of the provisions brought in under visiting rights. They come under the influence of the side who gives them provisions, and they begin speaking inconsistently. Some switch from the left to the right, while others receive patronage. This is part of the characteristics of befuddlement out of hidden frustrations. These are the genuine characteristics of our boarders — the brave and valiant heroes of democracy — inside the prison.

Separate bungalows are allocated inside the prison in accordance with the severity of the offense or the status of those imprisoned under the Unlawful Associations Act, antigovernment acts under Section-6 of the Criminal Law, subversive acts against the state under Section-8 of the Criminal Law, offenses under the 1950 Emergency Act, and the Law Safeguarding the State from the Danger of Subversive Elements.

Actually, in prison circles, these bungalows are referred to as the affluent people's Windermere residential area. [passage omitted on facilities inside the bungalows and family problems facing political prisoners]

I have to smile recalling my own experience. When the special court handed down a prison sentence, I pretended to smile while standing before the prosecuting organizations. I was trying to show off that politicians were no cowards. Actually, the sound of my pounding heart was louder than the sound of the engine of a turbo jet. Having to pretend was tiring indeed. [passage omitted on wife consoling the author]

Democracy is not an ideology. So, my colleagues and I in the Insein Jail circles were not ideologues in our convictions. We were the victims of bigotry. No one need to answer about what we were bigoted about, as the whole universe understands.

Politicians are neither machines nor heartless human beings. They are only human. Therefore, they are not able to ignore their human feelings. [passage omitted elaborating on human feelings]

These human feelings gradually make our convictions melt like an ice sculpture.

We analyze politics as follows: No human is free from politics. According to the political dictionary, the act of sweeping garbage on the streets by a municipal worker is politics. So we should not be creating the pretext that we were imprisoned for our political activities. We should firmly say that our offense was violating existing rules and regulations, decrees, and directives in working for the interests of our party or an individual we like.

Our mentors ignore this fact when claiming: "Political prisoners have more dignity than ordinary prisoners, and they should be entitled to privileges under the law." They say: "People inside the prison are sacrificing for the interests of the people. Please help and support them." What is the motive behind these claims. First, it is aimed at encouraging the violation of laws, rules and regulations, and decrees. The second motive is that only when there are people capable of violating laws and regulations will they be able to gain political mileage. After that, they will claim "those who arrested unjustly" and portray the government as a villain. These mentors are smart indeed, but they are not smart enough to complete their act.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Unveils Seventh Economic Plan

BK0805163596 Kuala Lumpur THE STAR in English 7 May 96

[Speech by Prime Minister Datuk Sri Dr. Mahathir Mohamed presenting the motion for tabling the Seventh Malaysia Plan at the Dewan Rakyat, the Lower House of Parliament, in Kuala Lumpur on 6 May — received via Internet]

[FBIS Transcribed Text] Today, we launch yet another five-year Malaysia Plan, the seventh in a series of five-year plans which have become quite familiar to this

House and to Malaysians in general. The danger is that, we may take this plan and this presentation for granted and not take much notice of it. It would be a mistake to do so, for the five-year plans which our country has become accustomed to are crucial to the development of the nation.

Indeed, the prosperity that we enjoy today, the eight per cent growth, the ever-increasing incomes of everyone of us, including government employees, are essentially the outcome of these plans.

Many countries, including communist and socialist countries plan their economy in five-year tranches but, as we all know, not many produced the desired results. Some indeed failed. Some are never really implemented remaining entombed in beautifully bound volumes. But in Malaysia we do not just plan. We implement them.

While the Economic Planning Unit (EPU) draws up the plans for five years and for each single year, and indeed for each single project or programme, the Implementation and Coordination Unit (ICU) oversees the coordination and implementation of every single plan, reporting back to the government the progress and the problems so that changes and adjustments may be made where necessary in order to achieve the desired results.

The original Operations Room, patterned after the War Room used during the war against the communist guerrillas, have now given way to rather sophisticated computers' and feed-back systems so that everything that is happening on the ground can be monitored from the centre.

The result is to produce results. The plans are translated into programmes and projects which the people can actually see and feel.

In Malaysia, while we have five-year plans, we also have long- term Outline Perspective Plans (OPP) which help concentrate our efforts in achieving well-defined long-term national objectives.

The first OPP was for the period 1971-90 when the objective was to eradicate poverty and remove the identification of race with economic functions as set out in the New Economic Policy (NEP).

The second OPP was for the period 1991-2000 and is concerned largely with achieving the National Development Policy (NDP) which is a modified NEP using a different approach. We are of course in the second half of this second OPP, but much has already been achieved which point towards the correctness of the policy.

But, even as we launched the NDP we decided on a longer term objective, that of making Malaysia a developed country by the year 2020, i.e. over a period of thirty years beginning from the year 1990. This is our most ambitious objective so far but we are quite optimistic that this will not be just a dream.

During the NEP period, we grew at 6.7 per cent per annum, despite having to restructure the economy. To achieve the status of a developed country, we need to grow at an average rate of seven per cent per annum for thirty years, i.e. only 0.3 per cent higher than the growth during the twenty-year NEP period. We think we can achieve the target, especially as in the first five years of Vision 2020 we have been growing at almost 8.7 per cent yearly.

However, our very success has changed the bases for growth. In the early years of our industrialisation, our problem was high unemployment. We had turned this into our competitive advantage by concentrating on labour-intensive industries.

True, our labour cost was higher than those of our neighbours, but we had other advantages which more than made up for this. We had political stability, an efficient administration, a low level of corruption and in addition, the government offered to forego corporate and other taxes for up to ten years.

We also allowed 100 per cent foreign ownership under certain conditions. Besides, our workers were adaptable, trainable and productive.

Our focus on reducing unemployment was so successful that today we are experiencing acute labour shortage. Foreign workers are not a solution to our problem.

We want to rely on our people so that the benefit of our industrialisation policy accrues largely to our citizens. Remittances by foreign workers are a drain on our economy.

Apart from shortage of labour, we are also experiencing a big deficit in the balance of payments. Much of this is due to imports of capital goods which in time will help to increase our exports.

But investments continue to grow and the imports of capital goods will continue and will always affect the balance of payments adversely.

Faced with these two problems, we have to change the stress from job creation and import substitution to capital- and technology- intensive industries producing largely for the export market.

Job creation will now be replaced with minimisation of labour inputs and maximisation of the quality and skills which our workforce must have. The new industries should be automated and robotised.

Workers will largely supervise machines and robots and be skilled in servicing them. They will of course be retrained but they can expect better wages for their new skills. We have no doubt that our workers have the capacity to upgrade or learn new skills and to be productive.

In order to overcome the adverse balance of payments, imports will have to be minimised. This means reducing unnecessary imports and producing ourselves most of our needs and the components which go into our products whether for domestic use or exports.

Our exports must be increased. Where before, local industries targeted the local market and produce import substitutes, today we must export most of what we produce in order to balance the nation's trade.

The world will be our market and to be competitive we must go big and achieve economies of scale.

Fortunately, Malaysians have learnt the skills of manufacturing and have accumulated sufficient capital in order to set up large- scale quality manufacturing.

The success of this new strategy will depend on social and political stability, industrial peace and dedication and working not just to oneself but for the national goal.

It should always be remembered that when one helps achieve national goals one would be helping one's self largely.

On the other hand, if one is concerned only with maximising one's own earnings, whether one is an employer or an employee, the result can be detrimental to the nation's economy and eventually to one's own interest.

The government has on many occasions changed tack and strategies and adopted new ones in order to overcome problems which resulted from the very success of the strategies followed.

Because promoting labour-intensive policies was so successful, there is a labour shortage, thus, it becomes necessary to discard the labour-intensive industries policy in favour of capital- and technology-intensive industries where only a small number of workers would be needed.

The switch to capital- and technology-intensive industries and the promotion of large-scale manufacturing which targets the world market will hopefully overcome the present problems of labour shortage and deficits in the balance of payments.

Mr. Speaker, Sir,

Let me recapitulate for the benefit of Honourable Members the performance of the Malaysian economy during the last five years. The economy recorded an average real Gross Domestic Product (GDP) growth of 8.7 per cent per annum, exceeding the revised Sixth Plan target of 8.1 per cent. This rapid growth resulted in our per capita income rising from RM [Malaysian ringgit] 6,099 in 1990 to RM9,786 in 1995.

This increase in income together with rather low inflation has resulted in a very significant increase in the purchasing power of the people in this country. This is evident from the tremendous expansion and upgrading of retail shopping, housing and personal transportation. A huge middle class has emerged while the lower income groups enjoy higher spending power.

This remarkable performance of the economy is not by accident but the result of judicious implementation of carefully thought out pragmatic policies and programmes.

The successful implementation of the National Development Policy, which retained major features of the NEP along with the Privatisation Policy has contributed to rapid economic growth and prosperity for all Malaysians.

The incidences of hardcore poverty and general poverty were reduced and the mean household income of all Malaysians increased markedly, with the increase being broad-based and benefiting all ethnic and income groups as well as urban and rural dwellers.

Bumiputra [indigenous people] participation in a broad range of professions increased and the proportion of bumiputra managers in the corporate sector reached a significant level.

These bode well for a bigger role of the private sector in the restructuring programme envisaged in the NDP. The active involvement of the private sector in a wide range of programmes helped to create a viable Bumiputra Commercial and Industrial Community (BCIC).

Privatisation was one of the major vehicles to enhance bumiputera participation in the economy. To ensure active bumiputra participation, the privatisation policy stipulated that bumiputra should hold a minimum of 30 per cent equity in all privatised entities.

Bumiputra ownership was also increased through the Management- Buy-Out (MBO) method and employees of the privatised entities also benefited through the offering of company shares under the Employee Share Option Scheme (ELSOS) and Employee Loyalty Share Option Scheme (ELSOS), as well as Unit Trust Schemes.

The participation of trust agencies and institutional investors had benefited all bumiputra without favouring any particular group. Bumiputra contractors can actively participate in the privatisation process through the requirement that at least 30 per cent of contract work be reserved for bumiputra contractors.

Bumiputra ownership also increased through the purchase of shares by managers and employees of the privatised agencies and also through the offering of shares to employees.

The increased in ownership also resulted from the offering of share options for employees who are loyal to the company and through unit trust schemes.

Privatisation also benefited other Malaysians through bumiputra and non-bumiputra joint-venture projects as well as contracting and sub-contracting of privatised projects to non-bumiputra.

Non-bumiputra also benefited from participation in the listing of privatised entities in the stock exchange.

Although the Malaysian economy continued to achieve strong growth, price stability was maintained throughout the period. We were able to contain inflation through budgetary restraint, a tight monetary policy and effective administrative measures.

The rapid growth of the economy also brought unemployment down to 2.8 per cent in 1995 from 5.1 per cent in 1990, the lowest level of unemployment ever recorded. In effect, this means that the economy now virtually enjoys full employment.

The performance of Malaysia's external sector acted as a catalyst to the nation's growth. Despite the sluggishness of the world economy at the beginning of the Sixth Plan period, gross exports increased at an average rate of 18.4 per cent per annum, indicating the increased competitiveness of Malaysian products.

However, gross imports comprising mainly intermediate and investment goods, grew at a rate of 19.7 per cent per annum due to the rapid expansion of productive capacity of the economy.

With the rapid growth, the economy also faced supply constraints such as infrastructure inadequacies and labour shortages while the current account deficit of the balance of payments persisted throughout the period.

In addition, large short-term capital inflows affected the management of monetary policy in the middle of the Plan period. However, pragmatic policy measures were instituted and conscientious efforts were undertaken to overcome these developments.

Mr. Speaker, Sir,

The success achieved thus far has laid a strong foundation upon which the Seventh Malaysia Plan can be built.

Our primary challenge will be that of transforming the economy from one that is investment-driven to one that is productivity- and quality-driven through enhancing the efficiency of labour and capital, skills upgrading, capital deepening and improving management and entrepreneurship.

Concomitant with this will be the need to accelerate the shift towards higher value-added activities that are labour-saving as well as capital and technology-intensive. Such a shift requires the strengthening of the science and technology base and enhancing research and development capability of the nation.

Besides this, it is necessary for us to realise the full potential of communications technology, particularly information technology, given its rapid development.

We should not only be users of multimedia products but also be suppliers and developers of this technology and its applications.

In the past, the manufacturing sector had spearheaded economic growth. However, experience has shown that it is unhealthy to depend only on one sector. The services sector must also be made to contribute.

Accordingly, we have to develop a modern, dynamic and outward- oriented Malaysian services sector that will not only be a major catalyst for growth but also be a potential exporter of services such as education, finance and consultancy.

At the same time, we must promote a more integrated process of production through strengthening inter-industry linkages and increase the domestic production of selected intermediate and capital goods to reduce the dependence on imports.

In addition, local firms should take a global approach to industrialisation and venture into large-scale manufacturing so as to enjoy the benefits of economies of scale.

In our quest for continuing high growth, we have to ensure that environmental and social considerations are not neglected in line with the philosophy of balanced development required by the NDP.

We also have to ensure that rapid growth does not impair the ethical and moral fabric of our society, particularly among the young.

Mr. Speaker, Sir,

The thrusts of the Seventh Plan will be to enhance potential output growth, achieve further structural transformation and attain balanced development.

With greater competition from emerging economies for foreign investment capital, and as labour resources become more scarce, the focus of the Plan will be on accelerating productivity and efficiency.

Special emphasis will be given to skills upgrading, capital deepening and technological development. An important facet will be to increase efficiency and productivity in resource utilisation to strengthen Malaysia's competitive edge.

The implementation of the Seventh Plan will ensure the continuance of high growth with stability. Real GDP is projected to grow at an average rate of 8 per cent per annum. This robust growth will be sustained partly by domestic demands and investments.

Total investment is expected to grow by 5.6 per cent per annum with private investment providing the main stimulus for the economy. Foreign direct investment will remain important, particularly in upgrading technology, skills and management expertise.

Public investment amounting to RM150.8 billion will continue to focus on providing basic amenities and certain infrastructural facilities, developing skilled manpower and deepening the science and technology base.

Growth in consumption will be contained at a reasonable level, averaging 7.4 per cent per annum. This projected level will ensure that sufficient funds can be raised to finance domestic investments.

Together with the increasing sophistication of the capital market and the introduction of innovative savings instruments, the high savings rate will be maintained. Gross national savings is estimated to reach 36.5 per cent of Gross National Product (GNP) by the year 2000.

Growth in the Seventh Plan period will continue to originate in the manufacturing, services and construction sectors. As exports of manufactures will be actively promoted during the Seventh Plan period, manufactured products are projected to account for 88.6 per cent of total merchandise export earnings in the year 2000.

At the same time, the services sector is estimated to grow at 8.4 per cent per annum and its share of GDP will amount to 43.9 per cent by the end of the Plan period, reflecting its increasing importance to the economy.

The construction sector is expected to grow at 10.2 per cent per annum with large infrastructure projects undertaken through privatisation as well as residential and commercial development and the continued expansion of the manufacturing sector providing the construction sector the growth momentum.

The mining and agricultural sectors are expected to grow at 2.3 per cent and 2.4 per cent per annum, respectively.

Unrestricted imports due to affluence and the needs of industrial expansion have resulted in a built-up of the deficit in the balance of payments.

As Honorable Members are aware, Malaysia's current account has been traditionally categorised by surpluses in the merchandise account and persistent deficits in the services account.

However, the higher growth in imports of capital and intermediate goods arising from the rapid build-up of production capacity has now contributed towards the deficit in the merchandise account of the balance of payments.

During the Seventh Plan, the government will give special emphasis to strengthening the balance of payments position by instituting measures to reduce the deficit through the production of capital and intermediate goods and components, locally.

Steps will also be taken to increase receipts from tourism and port throughputs as well as the reduction of other outflows such as insurance, freight and payments for education overseas and consultancy services.

The performance of Malaysian exports in the next five years is expected to be more favourable due to growth in world trade arising from a more liberal global trade regime.

At the same time, import growth will be curtailed through maximising local production of intermediate and capital goods.

Although the overall services account will continue to be in deficit, it will be reduced. This should be the result of measures that the Government has undertaken such as greater use of Malaysian ports, shipping, insurance and reinsurance, the use of local consultants, tourism and higher education within the country.

High growth will tend to push prices up. Nevertheless, inflation will be kept low through appropriate monetary and fiscal policies as well as administrative and supply adjustment measures.

The government's primary objective of achieving zero inflation with respect to certain basic needs such as food, clothing, shelter and transportation for the low income group will be seriously pursued. Adequate supplies will be maintained to prevent demand pull on prices.

Increases in the prices of non-essential luxury goods will not be included in the computation of inflation.

Mr. Speaker, Sir,

During the Seventh Plan period, the government will maintain the policy of prudent fiscal management by consolidating public sector finance.

The government, while aiming at the basic needs of the poor, will also focus on the private sector-led growth strategy. Although more and more public facilities are being privatised, the government has not abdicated its role as a provider of public services which the private sector cannot offer on which require subsidies in order to lessen the cost to the public.

Without this subsidy element, the cost to the public would be too high for privatisation to succeed. In addition, emphasis will be given to human resource development to meet the increasing demand for higher skilled manpower to support the strategy of productivity- driven growth.

The Seventh Plan will also give priority to improving further the quality of life, while achieving balanced development among states and regions.

The total public sector development allocation will amount to RM162.5 billion, of which the Federal Government's share will amount to RM67.5 billion, state governments RM12 billion, local governments and statutory authorities RM7.9 billion and the Non-Financial Public Enterprises (NFPEs) RM75 billion.

This total allocation as a share to GNP is 11.5 per cent compared with 14.8 per cent in the Sixth Plan, reflecting the government's commitment to reduce the size and the role of the public sector.

The Federal Government development allocation will be primarily for the acceleration of the development of certain infrastructural facilities not suitable for privatisation, and the increase in the supply of human resources in technological and scientific fields.

Priority will be given to projects that will create new capacity and reduce supply constraints as well as those that will generate new economic opportunities in the less developed states and the rural sector.

In line with our intention to ensure sustained economic growth, while improving incomes and reducing poverty, the economic sector has been allocated RM33.7 billion, or half of the total allocation.

Of this allocation, 23.4 per cent will be for the transport and communications subsector, while the agriculture and commerce and industry subsectors will receive 8.1 per cent and 8.7 per cent, respectively.

The social sector is being allocated RM19.8 billion of which more than half will be for education and training, bearing testimony to the government's commitment to strengthen human resource development.

The social sector is being allocated RM19.8 billion of which more than half will be for education and training, bearing testimony to the government's commitment to strengthen human resource development.

The security sector and general administration have been allocated RM9.2 billion and RM4.8 billion, respectively.

Mr. Speaker, Sir,

The thrust of NDP is balanced development with emphasis on growth with equity. The NDP seeks to continue efforts to correct economic imbalances and to create a more just, united, peaceful and prosperous society.

Emphasis will, therefore, continue to be given to poverty alleviation, the reduction of economic imbalances as well as creation of a viable BCIC.

During the Sixth Plan period, the focus of anti-poverty programmes was directed at the hardcore poor. At the same time, programmes for poverty redressal in general continued to be implemented.

The government played the leading role in these efforts by promoting income-generating projects, providing improved infrastructure and amenities, and greater access to education and training facilities as well as programmes directed at inculcating positive values among the poor.

With the rapidly expanding economy and increased employment opportunities, the overall incidence of poverty among Malaysian households was reduced from 16.5 per cent in 1990 to 8.9 per cent in 1995, while the incidence of hardcore poverty decreased from 3.9 per cent to 2.1 per cent during the same period.

With the continued stress on achieving social justice and the reduction of the incidence of poverty, plans and programmes will be launched in the Seventh Malaysian Plan designed to reduce the overall incidence of poverty to 5.5 per cent, that is lower than the 7.2 per cent targeted under the second OPP.

At the same time, hardcore poverty will be practically eradicated. The rapid growth of the economy will provide greater opportunities for the poor to participate in income-generating activities and move out of poverty.

In addition, education and expanded skill training will enable the poor to be employed in the more productive and remunerative sectors of the economy.

On the restructuring of society, a carefully selected range of programmes was implemented during the Sixth Plan with the purpose of laying the foundation for achieving the NDP objective of creating a vibrant BCIC.

Many bumiputra entrepreneurs benefited from the vendor development programme, the bumiputra joint-venture scheme, the franchise development programme as well as the venture capital scheme which enabled bumiputra entrepreneurs to participate in small- and medium-scale enterprises in the manufacturing, construction and modern services sectors.

Each programme was packaged to include several types of assistance, such as formal training and hands-on experience, marketing channels, provision of business premises, technical advice, and financial assistance in the form of loans to provide bumiputra entrepreneurs the opportunity to actively participate in business and commercial activities.

There was also an increasing number of capable bumiputra entrepreneurs managing and participating in large projects and businesses that were created through the availability of government contracts and licensing, the privatisation programme, and the general expansion of the economy.

These entrepreneurs became owners or major partners in a wide range of strategic businesses such as banking and other financial institutions, commercial aviation, the manufacture of telecommunications equipment, the provision of telecommunications services, the manufacture of motor vehicles, and the construction of highways and new townships.

However, there is still scope for greater bumiputra participation as training and experience produce more new and capable bumiputra entrepreneurs. There are indications that the bumiputra have the potential, and if they are determined, to manage commercial and industrial activities, finance and manufacturing and a whole range of other economic pursuits.

They are now contributing significantly to the economic development of the nation.

The packaged programmes, such as the vendor and franchise development as well as the joint-venture programmes, implemented in the Sixth Plan to develop a viable, competitive and resilient BCIC, particularly in small and medium-scale enterprises, will be expanded during the Seventh Plan.

With this, a larger number of bumiputra entrepreneurs will be identified who could benefit from the increased opportunities generated.

In addition, bumiputra entrepreneurs will be given appropriate training to increase their capability to participate in strategic industries such as aerospace, automotive, fabrication and engineering, petroleum and petrochemical, and telecommunications.

This is in line with the government's mission to involve bumiputra entrepreneurs in the more technologically-advanced industries.

In the efforts to increase bumiputra equity ownership, participation and control in the corporate sector, the bumiputra will be equipped with appropriate skills to manage and operate their assets and wealth on a sustainable basis.

With increasing focus on proper management of bumiputra-owned entities, there will be greater retention of bumiputra ownership in commercial and industrial activities.

This is necessary if the NDP is to succeed in bringing the bumiputra permanently into the mainstream of the nation's economy. Once they become able to manage and augment their assets, the need to protect them at every turn may be reduced.

In terms of employment, the Sixth Plan's emphasis was on increasing bumiputra employment in key professional occupations and in managerial positions in the corporate sector. It is gratifying to note that bumiputra employment in all occupations have increased with their share in the professional and technical category and the administrative and managerial category increasing to 64.3 per cent and 36.1 per cent, respectively in 1995 from 60.5 per cent and 28.7 per cent in 1990.

To increase the supply of the bumiputra in professional and technical occupations, the government will take steps to channel a bigger number of bumiputra students into the science and technical streams in schools, as well as in professional and engineering courses in universities and skills training institutions.

There are however non-bumiputra communities who are not progressing in economic activities. The government will give special attention and help to them.

Mr. Speaker, Sir,

The greatest asset and contributor to a nation's development is the quality of its human resources. The experience of newly industrialising economies has demonstrated that, in spite of the scarcity of natural resources, success was achieved by the optimal use of human resources.

Human resource development has now emerged as the primary determinant for sustainable economic growth and the consequent improvement in the quality of life.

With the right quality of human resources, it would be possible to transform an agricultural economy into a successful industrialised economy.

Human resources quality does not refer only to the level of education and skill but also good ethical values which will be able to put these skills to maximum productive use.

To become world players, our workforce must be fully motivated to make use of all their personal assets and moral qualities so as to compete in the international market place.

In the end, of course, they will reap handsome personal benefits. The strong and perhaps unexpected growth of the economy during the late Eighties and the Sixth Plan period created an increased demand for manpower at all levels.

Even though there was a substantial increase in the output of skilled manpower, the education and training system could not respond adequately to meet all the requirements for skilled labour, thus resulting in labour shortages.

The government responded immediately by allowing the employment of foreign workers in plantations, construction, manufacturing and selected services sectors off a temporary basis. But this is obviously not the best or the wisest approach.

While foreign workers do contribute to the economy, the cost in financial and social terms is very high.

In the Seventh Plan, human resource development will be a major thrust in the light of the anticipated switch from labour-intensive industries to high-tech automation and robotics in large industries which will require smaller but a more highly skilled work force.

Nevertheless, employment is expected to grow at 2.8 per cent per annum while the labour force is projected to increase at the same rate, mainly from the continuing high growth of the working-age population.

The unemployment rate is also expected to stabilise at 2.8 per cent, which is virtually full employment level.

The Seventh Plan will require improvements in the quality of the workforce to raise productivity levels. Skills upgrading, capital deepening, technological development and organisational improvements will, therefore, underpin the transformation of the Malaysian economy towards productivity-driven growth.

The increase in productivity is crucial for us to target the world market for our industrial products. I must stress that a productivity-driven economy will require higher levels of professional and skilled manpower as well as administrative and managerial expertise.

Thus, the upgrading of labour force skills and knowledge, the promotion of improved managerial competence and initiative as well as the advancement of scientific and technological know-how will be pursued actively and jointly by both the government and the private sector.

Greater private sector participation and initiative will be encouraged in the provision of tertiary education as well as skills training and retraining.

With the introduction of the Private Higher Educational Institutions Act, 1996, the private sector can now set up training and educational institutes at the highest levels and to confer publicly recognised certificates, diplomas and degrees which will be at par with government and foreign institutions.

The focus will be on science and technology and skills training up to master craftsman level which will be suitable for employment in higher and sophisticated industries.

There is no doubt that, given the fight kind of training, Malaysian workers and managers will be able to master the required skills and expertise.

Mr. Speaker, Sir,

I believe that the reliance on foreign labour will ease following the government's policy to encourage more firms venturing into capital- and technology-intensive production methods and processes.

To ensure that this happens, the government will discourage labour-intensive industries with a capital investment per employee of less than RM55,000. With this, domestic labour supply will adjust to labour demand.

I believe, as firms increasingly adopt labour-saving technologies, the need for foreign labour will gradually diminish.

We will not be totally uncaring for their needs. If their governments permit us, we will invest in labour-intensive industries in their countries and relocate our labour-intensive industries.

At the same time, the greater utilisation of local labour will be enhanced. This can be achieved by increasing their supply through raising the female labour force participation rate, and employing retirees and handicapped persons for appropriate jobs.

We still have a substantial proportion of women, particularly housewives, who have not been drawn into the workforce.

The government is currently reviewing the Employment Act, 1955, with a view to amending rules relating to part-time employment. This will permit women to be gainfully employed as part-time workers.

More education and training opportunities will also be provided for women to improve their upward mobility in the labour market.

I would also like to encourage firms to facilitate greater entry of females into the labour force by adopting flexible work practices, such as career breaks, job sharing and flexi-time for full-time women workers.

This family-friendly approach will, therefore, provide women the flexibility they need to manage their time between work and family.

As more women are expected to enter the workforce, efforts will be made to provide women with skills for family development in areas such as parenting and family health as well as ways to cope with the twin responsibilities of family and career.

The government will continue with ongoing efforts to address women's concerns and provide the appropriate enabling environment for women to participate more effectively as partners in socio- economic development.

We just cannot afford to let half our female workforce to remain idle if we want to reduce our dependence on foreign workers and increase family incomes.

While the favourable employment situation during the last few years benefited Malaysian workers through higher wages, wage increases which do not reflect productivity gains will in the long- term result in inflationary pressures, erode competitiveness and subsequently worsen the standard of living of those same workers.

This kind of wage-price spiral will negate our efforts to increase the spending power of our people.

It is always important to remind ourself that it is not the amount of money we earn that counts. It is the purchasing power of our income that counts.

If our productivity is low, it simply means our cost of production will be high and therefore inflationary, while our competitiveness is reduced. In the end, our economy will shrink, bringing with it lowered incomes and continuous unemployment.

Concerted efforts should, therefore, be made by the public and private sectors to increase productivity and efficiency of the workforce.

At the same time, wage increases should commensurate with productivity in order to reduce unit labour cost. The improvement in unit labour cost will strengthen the competitiveness of our products.

With regard to this, I would like to urge trade unions to shift away from solely fighting for higher wages, irrespective of productivity increases.

Premature demands and agitations by the workers will merely lead to the failure of our industrialisation programme.

As we all know, it is the success of the industrialisation programme which has created labour shortage and improvements in wages earned.

Failure of the industrialisation programme will have just the opposite effect, i.e. unemployment, inflation and declining purchasing power.

The government's policy is to increase the earnings of workers so that they will enjoy a better standard of living. This can be done through the establishment of large-scale industries which employ a lesser number of more highly paid workers.

Naturally, these workers will need better skills in order to manage and supervise more sophisticated machines.

Retraining is essential for this, as well as a greater sense of responsibility and discipline as they will be looking after extremely expensive machinery and equipment.

In order to get their members to earn more, unions should assist with training and instilling good work ethics. This is going to be much more difficult than merely urging industrial action for more pay.

Leadership quality of the highest order must be developed among union leaders.

Mr. Speaker, Sir,

Privatisation has without doubt enabled Malaysia to sustain high growth while enabling the nation to keep up with demands on the infrastructure commensurate with the rapid industrialisation process.

If we have to wait for the government to earn sufficient revenue or borrow before we can build the roads, ports, airports, telecommunication facilities, water supply and electricity, most of what we enjoy today in terms of public amenities would not have been in place.

Nevertheless, the feasibility of these privatised projects owes much to the willingness of the government to transfer assets to the private sector at nominal prices.

These, the government is willing to do because in any case these assets were not earning anything for the government.

Indeed, the government had to allocate funds every year merely to administer the agencies or departments concerned.

By privatising these functions the government saves its budget allocations and salary bill. In addition, when these privatised agencies make profits, and they often do, they pay taxes to the government.

If government continues to hold shares in the company, it will also share the dividends. So, all in all privatisation has benefited the government and the nation.

The Sixth Malaysia Plan saw many successful privatisation projects involving infrastructure and utilities.

The process of privatisation is as important as privatisation itself if the strategy is to succeed. In many countries, the privatised entities resorted to retrenching staff in order to reduce cost.

This is not permitted in Malaysia. In addition, the remuneration offered must be better than the original pay scale. Employees are entitled to a certain percentage of the shares and may be paid bonuses when company performance is good.

While the government may identify the entity to be privatised and may then call for bids, in many instances the private sector identifies the entity and submits a proposal.

It would be unfair to take such privately initiated proposals and then invite others to make a bid. The original proposer is, therefore, given exclusive fight to do a study and make detailed proposals provided the proposal is unique.

A proposal to develop a piece of government land does not come within the definition of unique.

Without exclusivity, the proposer would not be prepared to spend money on feasibility studies. Still, if the final submission is not attractive, the proposer may not get the project.

In such a case, the government feels that it is no longer obliged to extend the exclusive right. Others will then be invited to make bids.

In certain cases, successful bumiputra entrepreneurs have been able to acquire controlling shares in privatised enterprises. This is justified by the need to inject responsible personal management as against management by professional managers and directors chosen by government institutions which hold shares in the enterprise. This has proven successful, with the enterprises expanding and becoming more profitable.

Obviously, only bumiputra entrepreneurs with good track records and credit-worthiness could be considered. If these criteria are not met, failures would be more likely.

Privatisation has been very beneficial to Malaysia. It has reduced government expenditure on administration and development, increased government revenue, stimulated the private sector and enhanced the capitalisation of the stock market.

In addition, it boosted the wages and incomes of employees at all levels. Even government employees benefited as revenue increased which enabled government to revise pay scales.

The consumers benefited from availability of public amenities earlier and of better quality at minimal increases in cost. Of course, development has been accelerated greatly, particularly infrastructure development.

As for the NEP objective of eliminating the identification of economic function with race, there can be no doubt that privatisation has helped to reduce it at all levels, from rich entrepreneurs to high-wage skilled workers.

And it has contributed much toward poverty eradication. There can be no doubt that a lot of Malaysia's sustained high growth is due to privatisation.

During the Seventh Plan period, an accelerated privatisation programme will be pursued, particularly in the infrastructure, utilities and transport sectors as well as extensions into the services sector, such as education and training, health services and R&D [research and development].

These privatisation exercises will undoubtedly enhance the efficiency and productivity of the producers and providers.

At the same time, the interests of consumers will be protected by the establishment of relevant regulatory bodies.

The success of Malaysia's privatisation programme must not be taken for granted. Many countries have failed and have to give up privatisation.

For it to be successful, the selection of entrepreneurs and continued support on the part of the government at all levels are absolutely essential.

We are fortunate in that the Malaysia Incorporated concept facilitates such relationship.

Mr. Speaker, Sir,

The Seventh Plan period is an important phase in the country's drive towards becoming a more industrialised economy. The manufacturing sector will have to switch from relying on the limited local market to producing for the world market.

At the same time, Malaysian firms will have to build and develop new modes of business networking with foreign markets and businessmen.

These will include deliberate disaggregation of production processes which will retain the higher value-added operations in Malaysia, while creating supporting overseas production ventures that are amenable to the level of skill and technology in those countries.

A more concerted and co-ordinated approach will also be undertaken to broaden and strengthen the manufacturing base through the development of capital and intermediate goods industries.

Strategies and programmes to further expand and upgrade small- and medium-scale industries (SMIs) will also be actively pursued, to enable them to become more competent in supporting the larger establishments.

In consonance with the emphasis on productivity-driven growth, efforts will be taken to enhance the nation's capability to adopt, adapt and improve imported technology as well as promote the development of indigenous technology.

Appropriate policy and institutional reforms to foster stronger co-operation in technology development between industry, universities and research institutions will be undertaken.

The R&D expenditure as a percentage of GNP will have to be doubled in order to accelerate the building up of in country R&D and technological capability.

At least one per cent of GNP is usually the accepted level at which R&D can begin to effectively support industrial innovations and strategy.

In line with this, industry will be encouraged to specialise in new and promising technologies in the move towards the establishment of technologically sophisticated industries producing better quality and competitive products.

Furthermore, as Honourable Members are aware, the critical role of information in decision-making and global competition has thrust Information Technology (IT) into the forefront of economic development.

IT can play a significant role in national development, particularly in improving efficiency, productivity and competitiveness. In this regard, the government will ensure that the IT infrastructure will be enhanced in order to create a strong foundation for building a knowledge-based and information-rich society.

A National Action Plan is being formulated to ensure co-ordinated planning and management of IT development in the country.

The government has initiated the construction of the Multimedia Super Corridor which will extend from Kuala Lumpur to the Kuala Lumpur International Airport (KLIA) via Putrajaya, which will be provided with world class physical and information infrastructure.

Private sector multimedia companies will be encouraged to locate in the Corridor to undertake remote manufacturing and introduce high value-added IT goods and services in order to make Malaysia a regional IT hub.

Mr. Speaker, Sir,

The transformation of Malaysia's economy into an industrialised one has placed constraints on the development of the agricultural sector, particularly the shortage of labour, limited availability of suitable land, low prices of several commodities and consequently a relatively low level of investment in the sector.

The government thus proposes to review the National Agricultural Policy, to shift the focus of agricultural development towards productivity improvement through greater utilisation of agricultural and marine resources.

The development of the sector will focus on areas where we have a competitive edge and offers higher returns.

Cultivation of high-value crops as well as the expansion of aquacultural activities, including farming in the sea will be emphasised as these have high potential for growth.

Concerted efforts towards increasing the participation of the private sector will be taken, with the public sector providing the necessary support through technical and advisory services.

In the effort to make agriculture more competitive and sustainable, the government will gradually withdraw subsidies, particularly in areas where Malaysia can no longer compete. Research and development efforts on downstream activities will be intensified to produce more high value-added agricultural products. Research into more efficient use of land, choice of crops and judicious use of plant nutrients will be encouraged by the Government.

It will be necessary to transfer plantation crops needing larger land areas and work forces to suitable foreign countries.

During the Seventh Plan period, the government will continue to take appropriate action to ensure that development is sustainable and balanced. Towards this end, environmental and conservation considerations will increasingly be integrated with development planning.

Overall, environmental and natural resource management under the Seventh Plan period will be guided by the National Policy on Environment, which is being formulated to ensure the long-term sustainability and improvement in the quality of life.

The policy aims at promoting economic, social and cultural progress through environmentally-sound and sustainable development.

The National Conservation Strategy (NCS) will be used as the framework for a comprehensive approach to natural resource development. The strategy will be rational and will not be subjected to fanaticism of any kind.

These efforts by the government will be supported by investments from the private sector in the field of environment and natural resource management.

Efforts will also be undertaken to create niches in environmental products and technologies in which Malaysia will be able to achieve comparative advantage and cater to the growing international demand.

Environmental education and public awareness programmes will be stepped up in co-operation with Non-Governmental Organisations (NGOs) and the private sector, to educate the public on environmental and conservation issues to realise the goal of sustainable development.

Mr. Speaker, Sir,

We should be thankful to Almighty Allah that the rapid economic development in Malaysia has enabled us to enjoy a better quality of life.

The government has successfully upgraded basic infrastructure and amenities, provided greater access to education and health services and increased the provision of housing.

These basic needs are enjoyed by all Malaysians. I can assure you that the government will continue improving these facilities to fulfill the longer term objective of Malaysia becoming a developed nation in the mould that is unique and in keeping with our values.

During the Sixth Plan period, the government continued to play an important role in providing better quality education through the expansion and provision of improved facilities and adequate infrastructural support for all levels of public education.

We have also introduced school curricula reforms at the primary and secondary levels as well as diversified and expanded post- secondary and tertiary education.

Through a consistent policy and active private sector participation, Malaysia has achieved good progress in the provision of education at all levels.

The literacy rate for Malaysia has increased from 85 per cent in 1991 to 91 per cent in 1995 as a result of efforts to expand educational opportunities for all Malaysians.

We have achieved a near 100 per cent retention and completion rate at the primary level and about 55 per cent of the labour force has undergone secondary education in 1995 compared with 52 per cent in 1990.

During the Seventh Plan period, a number of major changes will be introduced to the education system with a view to strengthening and improving the effectiveness of the system.

These efforts are expected to improve the quality and increase the quantity of output to meet the manpower requirement needs of the nation as well as to produce citizens who are disciplined, possess high moral values and good work ethics. Enrollment at the primary and secondary level in government and government-aided schools is expected to increase from 4.4 million in the year 1995 to 4.9 million in the year 2000.

A total of about 108,000 students is expected to enter the labour market after completing first degree courses from local public institutions during the Seventh Plan period.

Besides education, the government will continue to stress on health as it is crucial in enhancing the quality of life.

The nation's health has improved much up till the end of the Sixth Plan. Various programmes and projects have been undertaken under the promotive and preventive health services.

A "Healthy Life-Style" programme was also launched to inculcate healthy life-styles among the population.

As a result of these programmes and campaigns, life expectancy at birth of males and females increased to 69.3 years and 74 years, respectively by 1995 from 68.9 years and 73.5 years in 1990, while the infant mortality rate declined from 13 per 1,000 live-births in 1990 to 10.5 per 1,000 live-births in 1995.

All urban households have electricity and about 92 per cent of the rural households had access to electricity, while 99 per cent of the urban and 83.5 per cent of the rural households had access to safe drinking water.

Government intends to privatise many of the health facilities, including hospitals and specialist units.

Some kind of subsidy will be worked out for the poor whose employers cannot pay for their medical care or who cannot afford health insurance. The terms of employment of workers in large private firms must include free or subsidised medical treatment up to a certain limit.

In the meantime, hospitals for the poorer section of the population should be put up by the private sector. The present private hospitals tend to stress five-star accommodation which the majority patients cannot afford. An ordinary class private hospital should be as lucrative for Malaysian investors.

Even within private hospitals, there must be elements of cross- subsidy, so that those who cannot afford can have equally good medical treatment without the need for luxurious accommodations.

Doctors working in five-star hospitals should also spend time in ordinary private hospital wards where fees and charges should be low.

Medicine is a noble profession and financial considerations alone should not determine its practice.

Society owes a lot to the practitioners of medicine but the affluence of the professionals also owe a lot to the kind of society we have. There must always be gratefulness and charity in our hearts.

In the Seventh Plan, the government will continue to expand and upgrade health programmes and services so as to enable Malaysians to enjoy a better quality of life.

However, it is becoming more and more difficult for the Government to provide free or nominally charged hospital treatment.

This is not just because the cost has risen tremendously, but it is difficult to retain staff, whether doctors or nurses at the low pay the government can offer.

It is no good building hospitals which will have no one to staff it.

In the future, medical treatment provided at government hospitals must either be paid for through medical insurance or private medical treatment schemes.

Housing and other social services programmes are also aimed at improving the quality of life of Malaysians.

During the Sixth Plan period, the development of housing programmes was intended to provide Malaysians, particularly the low- income group accessibility to adequate and affordable shelter.

Adequate shelter does not mean ownership of houses only. If rentals are low enough it should suffice. This has as much to do with location as it does the cost of construction since land price is an important element of cost.

The performance of housing programmes was very encouraging with the achievement surpassing the Plan target. A total of about 647,500 units of houses were completed during the Plan period, of which 40.4 per cent were low-cost houses.

During the Seventh Plan period, the housing development programme will be further strengthened. The implementation of the programmes will continue to give priority to the development of low-cost as well as low medium-cost houses so as to ensure that the low- and lower-middle income groups can afford to own or rent suitable houses.

The private sector will play a major role in meeting the housing needs of the growing number of new households to complement and supplement public sector initiatives.

All these developments, combined with improvements in sanitation and environmental quality, a healthier lifestyle and the development of better working environment, health and leisure facilities, together with a higher income level, will ensure continued enhancement in the quality of life of all Malaysians. Nevertheless, the quality of life depends much on the life-styles of the people.

An expensive and beautiful house will not guarantee a good quality of life.

Mr. Speaker, Sir,

Youths of today are the adult citizens of the future upon whom the continuity of development depends. Thus, the development of youth potential is vital in determining the success of the country's socio-economic development.

Therefore, youth development will be one of the thrusts of the Seventh Plan. In addition to developing quality citizens and inculcating positive values among them, youth development programmes are also intended to provide them with the necessary skills to enhance their participation and contribution to nation-building.

The aim is to nurture and develop a generation of youths who are not only educated and skilled, but imbued with high moral qualities.

Various programmes for youth development, such as the Rakan Muda [young friends] Programme, will continue to be implemented by the Government in co-operation with the private sector including NGOs [non-governmental organizations].

The National Youth Policy will be reviewed to focus on youths, particularly problem youths and those who are unemployed with the aim of developing them into productive and good citizens.

As Honourable Members are aware, rapid industrialisation and urbanisation have resulted in an increase in the occurrence of negative social behaviour, such as drug addiction, child abuse, loafing, juvenile delinquencies, and unhealthy lifestyles.

These impose strains on the family unit. These problems can impair the moral fabric of future generations if we do not address them now.

The government will establish a high-level committee to formulate policies and strategies for enhancing social and family development.

At the same time, institutional support will be reviewed to provide greater focus and co-ordination of preventive and rehabilitative programmes for target groups such as children, youths and parents.

Mr. Speaker, Sir,

Apart from acquiring material well-being, Malaysians should be infused with a good value system which emphasises moral and ethical behaviour based on religion, customs, the norms of behaviour or good traditions.

To facilitate the practice of positive values and ethics, attributes such as discipline, honesty, diligence, resilience, thrift and respect for elders, which have always characterised the social fabric of Malaysian society will be reinforced through the school system, training in the workplace and business organisations as well as spiritual development programmes. All Malaysians should absorb and practise these values as part of their value system and code of conduct.

Efforts to promote the development of a caring society as an integral component of the value system will continue to be made.

Priority will be given to programmes for family development aimed at strengthening the family institution's contribution towards producing responsible citizens.

Therefore, the focus will be on developing shared values and positive attitudes to ensure the spirit of self-reliance and the shared commitment towards establishing a caring society.

In the workplace, employers will be encouraged to provide facilities such as creches and nurseries in order to cater to the increasing number of working mothers.

Flexible working hours and the option of working at home will also have to be considered to attract greater participation of women in the workforce.

At the same time, measures need to be taken to promote good ethical behaviour and greater accountability through the formulation of code of ethics in the workplace.

While other attributes such as friendliness, neighbourliness and hospitality will continue to characterise the Malaysian society.

The objective is to develop a sense of common identity and shared purpose among all Malaysians in our efforts to build Bangsa [race] Malaysia.

Mr. Speaker, Sir,

As I said at the outset, the Seventh Malaysia Plan is being tabled at a time when we are enjoying a long continuous period of high growth.

Together with growth, have come concerns that we have addressed, if not in full measure, then at least substantially.

We should never forget that what has been attained has been achieved not as a matter of course.

If it was the case, then more countries with similar history, social structure, and natural endowments will be in the same league.

What we are today is a result of what we have all deliberately planned and worked for as a united people.

The success of the Seventh Plan, and in particular the new thrusts will depend on the commitment, determination and dedication of all of us.

We have to remember that in a world of almost instantaneous communication, our market will have to be just as open as the world market where we will be selling our products.

We thus have to constantly enhance our competitiveness if we want to benefit fully from an increasingly liberalised global trading regime.

There is no doubt that greater efforts must to be made to enhance our competitiveness.

During the Seventh Plan period, Malaysia will need to evolve its competitive industry clusters, strengthen its economic foundations and infrastructure, enhance the supportive institutional backing, expand and intensify a global marketing network, and maintain the right set of incentives through investments and pricing policies.

The future performance of the economy will increasingly hinge on the ability to harness these factors in order to produce a superior competitive climate.

This launching of the Seventh Plan also signals that only twenty five years remain for us to attain our objective of becoming a developed country in our own mould by the year 2020.

A quarter of a century is but a short duration in the history of a nation. We have planned to make our country a developed country in just one generation, where developed countries took several generations.

We have to prove to the world, and particularly our detractors and sceptics that we can make it, that, "Malaysia Boleh".

To acknowledge the energy and long hours expended in the preparation of the Seventh Plan, those who will be carrying it out need to study its contents and take them into consideration in formulating their respective strategies and implementation formula.

This Plan has been drawn up with the intention to give every section of the Malaysian society its portion of the fruits of development. But, it can only become a reality if each and everyone will give off his or her best to the role that each must play.

We pray to Almighty Allah to give us the strength and resolve to face and overcome problems, to strive for greater prosperity and to uplift our national dignity.

I believe, with Allah's blessings, we will be able to build a nation that is progressive, prosperous and self-reliant, respected by friends and foes alike.

Insya Allah [God willing].

Mr. Speaker, Sir,
I beg to move.

Cambodia

Cambodia: Cabinet Agrees To Mission-Level Ties With ROK

BK0905124096 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 9 May 96

["Press Release" on the plenary cabinet meeting held on 9 May]

[FBIS Translated Text] A plenary cabinet meeting was held under the chairmanship of Second Prime Minister Samdech Hun Sen of the Kingdom of Cambodia [KC] at the Council of Ministers office at 0830 on 9 May. The meeting:

1. Examined the request for an agreement in principle on the establishment of the relations between ROK and the KC at the mission level; and

2. Approved the draft labor law presented by the Ministry of Social Welfare, Labor, and Veteran Affairs.

The cabinet unanimously agreed in principle to the establishment of relations at the mission level between ROK and KC with offices in Seoul and Phnom Penh respectively. This is aimed at promoting relations for economic rehabilitation and redevelopment.

The cabinet also actively discussed, rectified, and improved and unanimously approved the draft labor law, which will be forwarded soon to the National Assembly for adoption.

Executed in Phnom Penh on 9 May 1996.

Cambodia: Khieu Samphan on Conflicts in Phnom Penh

BK0905150396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 8 May 96

[Interview with PGNUNS Prime Minister and National Union Party chairman Khieu Samphan by an unidentified station correspondent; date and place not given — recorded]

[FBIS Translated Text] [Correspondent] Greetings, Mr Prime Minister. The masses wonder whether communist Vietnam and its stooge Hun Sen can resolve the conflicts which led the king to decide not to return to the country. What is your opinion?

[Khieu] I thank you, representative of the radio of the Provisional Government of National Union and National Salvation [PGNUNS], for raising this question. I would like to answer according to my understanding. I believe there are three main, intertwining conflicts in our country. These are: first, the conflict between the monarchy and communism; second, the conflict between our nation, people, and race and communist Vietnam which is trying to swallow up Cambodia and exterminate the Cambodian race; and third, the conflict between liberal democracy and communism.

Communist Vietnam and its stooges have been unable to resolve these three conflicts. The past three years have clearly proven their failure.

1. In 1993 communist Vietnam, Hun Sen, and Chea Sim tricked Samdech Norodom Sihanouk by giving him the title of reigning king. However, the king has had a very bitter experiece over the past three years. They have made him rule the country in name only. He has no power, army, police, nor any force under his command. The communist Vietnamese authorities are spread all over the country, in the rural areas, in Phnom Penh, and even in the royal palace. This problem cannot be solved.

2. While the nation, people, and king want an independent and sovereign Cambodia with all its territorial integrity inside its own borders that the world recognized in 1970, communist Vietnam has snapped at and swallowed Cambodia by declaring its Indochinese federation. This conflict began in 1979 when communist Vietnam sent hundreds of thousands of its troops to invade Cambodia.

In the mind of our nation and people, this conflict has become ripe and, over the past three years, even more so. This conflict is also acute and profound in the king's mind.

3. Liberal democracy and communism is the other conflict. Both cannot coexist because communist Vietnam treads on liberal democracy.

Now, the king has decided not to return to the country. For three years, he has tolerated and endured. However, the more he endures, the more communist Vietnam and its stooge Hun Sen tramples on him and crushes him into the mud. As a monarch who has reigned for 30-40 years, who has been respected by the whole nation, by an entire people, and by the world at large, he cannot take it anymore.

[Correspondent] Then, how are communist Vietnam and its stooge Hun Sen?

[Khieu] They panic. They realize that the tough methods that they have been using must continue in order to preserve the two heads — be it the two heads in government or the two heads in parliament along with the so-called party of Ieng Muli. This is also to put greater pressure on His Excellency [H.E.] Sam Rangsi, H.E. Son Sann, and even the king, whom communist Vietnam and their stooges Hun Sen, Chea Sim, and Sar Kheng call reactionaries. When they suffered a serious setback in their 18th dry season military operation, they said they needed to use strong-arm methods, since the reactionaries were resisting too forcefully.

However, now that the king has decided not to return, which is tantamount to declaring a political and diplomatic war against them, they think they need to relax their hold, try hard to contact the king, Ranariddh, and other personalities who have gone abroad, and persuade them to return home so as to maintain the two-headed establishments and continue getting money from Western powers. This is because Hun Sen, Chea Sim, Sar Kheng, and Heng Samrin all live off the money from the West. Without the money, communist Vietnam which has become extremely destitute because of its war of aggression against Cambodia over the past dozen years, would have no means to feed its stooges in Cambodia at all.

Therefore, both communist Vietnam and its stooges are doing everything possible so that their majesties the king and queen will return to the country, to their cage. Then, they will shut the door on them and keep them from ever leaving again. Once the king is taken back, they will try to get Ranariddh, H.E. Sam Rangsi, and other FUNCINPEC [National united Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] personalities back so they can kill them one after another.

There are many ways to shut down their prison gate. Prince Sirivut did not even fire a single shot, but no one could stop them from accusing him of doing so. As far as the king is concerned, nothing is difficult. They only have to send tanks, armored personnel carriers, and heavily armed soldiers to surround the homes of Nhoek Bunchhai or Khan Savoeun and then claim that they found mines, B-40 rockets, and firearms in their searches. They would torture them for confessions or use the West's money to buy their confessions implicating Ranariddh and the king for attempting to stage a coup d'etat. So, both Ranariddh and the king would stand accused, with all kinds of evidence. They then would have the tribunal adjudicate. When the tribunal adjudicates, it would be all up to Hun Sen, to communist Vietnam. How could Ranariddh and the king justify their innocence? differences from original FBIS version]

[Khieu continues] Regarding Western powers, communist Vietnam and Hun Sen are already using their weaknesses. They would be afraid to come and help. Communist Vietnam and its stooge Hun Sen are not going to kill the king. They would let the king jump about at the end of their leash and make him praise Hun Sen loudly as the champion of national construction, hail the Communist Party of the communist Vietnamese puppets, appeal to foreign countries to give them aid, and so on. In other words, they would order the king to serve their strategy to swallow up Cambodia and exterminate the Cambodian race.

As for those in the West, they would surely admire Hun Sen, stooge of communist Vietnam, lauding him for respecting human rights and being imbued with a high sense of humanitarianism. So, communist Vietnam and its stooge Hun Sen would continue to get money from the West while committing political assassination against the king. They also would continue to massacre the Cambodian nation and people, and no one would know about it or want to talk about it.

[Correspondent] If they fail to persuade the king, what will happen? [correcting question, supplying dropped editorial notation indicating when Khieu begins his response]

[Khieu] If they fail to persuade the king, the king will triumph, monarchy will triumph, liberal democracy will triumph, and our whole nation and people will triumph. Soon, the king will return to the country amid the resounding welcome of his subjects at the airport and along the street from Pochentong to the royal palace.

His name and prestige will be restored as the king-savior of the nation, people, and race and his power and privilege reestablished as the king reigning over a Kingdom of Cambodia that is independent, sovereign, neutral, peaceful, and unified truly and fully enjoying its territorial integrity which will be recognized, respected, and praised by the whole world. Then, communist Vietnam and its stooge Hun Sen will run away as fast as they can.

So, the situation has evolved to this: either the king dies in the hands of communist Vietnam and its stooge Hun Sen or communist Vietnam and its puppets die. Monarchy and communism cannot coexist, neither can liberal democracy and communism.

The marriage in 1993 was merely a forceful misconception. It was a fraud. Three years later, it has broken up, resulting in these conflicts. Therefore, no one can be a new matchmaker without being checked. Anyone, be it a Cambodian or a foreigner, who wants to become a new matchmaker must know that he will commit a crime worse than that in 1993 because he will be guilty of deliberately luring the king into getting killed despite this glaring example.

[Correspondent] Suppose they manage in one way or another to recoalesce themselves, will they be able to withstand the struggle of our nation and people?

[Khieu] They will never be able to withstand the resistance forces of our nation and people because:

1. They have been defeated for the past three years, suffering one setback after another.

2. Our whole nation and people in the rural areas, the cities, as well as abroad are rising up and waging a struggle to deal them heavy blows from all sides.

3. The two heads have been divided and scattered, leaving behind only one head, that is, the head of communist Vietnam and its stooge Hun Sen.

4. They are running out of people, of rural areas. Consequently, they have no economy, no finance, and no money to support their war. They have been begging for alms from other countries with which to finance their battles. They can get these alms if they win. However now, being completely worthless, they are losing and losing and they are corrupt and thieving. Who then will give them any more alms?

5. They have no people, no rural areas under their control. Where can they get troops with which to continue their war? Both their officers and rank-and-file soldiers have been killed. The survivors are combat-weary, defeated, and demoralized. Pol Saroeun and a few others are nowhere to be found. Prum Samen, said to be one of their best, was the first to flee during this dry season. His wife prayed everyday, offered to shave her hair, and gave away tens of thousands of dollars in bribes to have him transferred back to Phnom Penh. Such was the fate of the commanders. As for the rank-and-file soldiers, they deserted in large droves. No one dared to stop them because they were also armed and ready to shoot back.

Concerning recruitment, the people resist the troops, making it impossible for the troops to impress them. The people have been dismantling one village administration after another. How can they conscript troop as before? Of course, they have managed to impress some draftees, mostly graying men good only for fighting ants and insects, good only to man their deceptive operations for pilfering money, ammunition, rice, and petroleum. However, these men are no match for the national resistance forces.

6. Even civil servants are fleeing from them one after another. There are less than 20,000 men who live with and are ready to serve communist Vietnam and its stooge Hun Sen out of the more than nine million Cambodians. Therefore, Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh themselves would have to fight by themselves. Would they come and fight? Would Hun Sen? This guy can be used by communist Vietnam only as its foul mouthpiece to make ill-bred, uncouth remarks reflecting his despicable origin, but he would not come to fight even if forced to. Never.

7. The battlefield is no longer confined to the countryside. In Phnom Penh, communist Vietnam, Hun Sen, Chea Sim, Ieng Muli, and Sieng Lapresse cannot even find a cricket hole to hide. The students have been waiting for a long, long time to decapitate them. So have the journalists, the tricycle cabbies, the civil servants, and the great majority of soldiers and policemen who are their bodyguards. The time has now come. The soldiers routed from the front are also going to Phnom Penh seeking to decapitate them.

Indonesia

Indonesia: Red Cross Abandons Attempts To Free Hostages

BK0905123596 Hong Kong AFP in English
1156 GMT 9 May 96

[FBIS Transcribed Text] Jakarta, May 9 (AFP) — The International Committee of the Red Cross (ICRC) said Thursday it has abandoned efforts to free 11 hostages, including six Europeans, in Indonesia's Irian Jaya province.

"After the failure of today's final attempt to have the hostages freed, the ICRC delegates left Guezelema and informed the Indonesian, British and Netherlands authorities of the results of their latest decisions," an ICRC statement said.

The hostages are being held by separatist rebels in the jungles of Irian Jaya. The four British, two Dutch and six Indonesians were abducted in early January. One Dutch woman is seven months pregnant.

Indonesia: ICRC Ends Role as 'Neutral Intermediary' in Hostage Drama

BK1005040796 Jakarta MEDIA INDONESIA in Indonesian 10 May 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta (MEDIA) — The International Committee of the Red Cross [ICRC] yesterday decided to abandon its role as a neutral intermediary between the Irian Jaya security disturbance movement [GPK], which is holding 11 Lorentz researchers in the Jayawijaya hinterland, and other relevant parties.

The ICRC made the decision after the failure to secure the release of the hostages in the final attempt yesterday, according to a press statement issued by the ICRC in Geneva yesterday.

An ICRC team comprised of Sylviane Bonadey and Dr. Ferenc Mayer flew by a helicopter belonging to Airfast to the hostage site yesterday morning, but their negotiations with the kidnappers failed.

The ICRC said: "After repeated attempts to secure the release of the hostages on humanitarian grounds for almost five months, the ICRC decided to abandon its role as a neutral intermediary between the parties," the statement said.

According to the press statement, the ICRC delegates left Guezelema and informed the Indonesian, British, and Netherlands authorities of the results of their latest talks with the kidnappers.

The eleven hostages being held by the GPK comprise five Indonesians, six Britons, and two Netherlands nationals.

The ICRC team will however remain in Irian Jaya to provide medical assistance to the hostages and be available to join efforts to settle the hostage crisis. [passage omitted covered by second referent item]

Indonesia: Human Rights Violations Reported in Ujungpandang Unrest

BK1005062296 Jakarta MEDIA INDONESIA in Indonesian 9 May 96 p 1

[Unattributed report]

[FBIS Translated Excerpt] Jakarta (MEDIA) — Ali Said, chairman of the National Commission on Human Rights, has said security personnel violated human rights during the handling of recent demonstrations in Ujungpandang.

According to Ali Said, the violations led to the death of three college students, the wounding of several others, and acts of destruction and burning.

Those killed were Syaiful Bia, Andi Sultan Iskandar, and Tasrif Burhanuddin. "The National Commission on Human Rights expressed its deep regret and sorrow over the deaths," Ali Said said in a written statement disclosed by Baharuddin Lopa, secretary general of the National Commission on Human Rights, to journalists yesterday [9 May]. Lopa was accompanied by Marzuki Darusman [a member of the commission] during the press briefing.

Ali Said, however, added that the culprits and the type and extent of the human rights violations will be known only after an investigation team has completed its fair and open investigation in accordance with the criminal law. [passage omitted]

Indonesia: Petroleum Group Said Part of Taipei's 'Southern Strategy'

OW1005103196 (Internet) Taiwanese Central News Agency WWW in English 0812 GMT 10 May 96

[By P.C. Wu & Debbie Kuo]

[FBIS Transcribed Text] Jakarta, May 9 (CNA) — Taiwan's state- run Chinese Petroleum Corp. (CPC) is playing a major role in the ROC's [Republic of China] "southern strategy" mapped out two years ago by President Li Teng-hui to further expand Taiwan investment in Southeast Asian countries.

Indonesia, rich in oil and liquefied natural gas (LNG), is one of the Southeast Asian countries where CPC is increasingly pitching in capital and personnel for joint-venture investment projects.

CPC Chairman Chang Tzu-yuan, currently visiting in Indonesia, flew to East Karimata Thursday [9 May] to familiarize himself with LNG output in that area, where along with adjacent Sumatra, lies the world's largest natural gas deposit.

Indonesia is the world's largest LNG producer, yielding some 25 million metric tons a year. Japan, South Korea and Taiwan are its three largest buyers.

Indonesia also sells oil to Taiwan. CPC and the Indonesian national oil corporation Pertamina forged a 20-year contract in 1989 for oil and LNG supply. The two companies updated the contract last year to increase LNG supply to 3.1 million metric tons annually starting 1998.

On Wednesday, Chang signed a contract with Pertamina to jointly tap oil and LNG in eastern Indonesia, and two contracts with private PT Graha Centermine (PTGC) for joint production of lubricant and asphalt.

As oil exploration in Indonesia had declined in recent years due to either financial difficulties or limited yield, CPC's pitching in represents the beginning of a new era of cross-border cooperation in oil exploration.

The new contracts are bringing an extra Taiwan capital of U.S.$2 billion into Indonesia. On May 5, CPC inked a US$4 billion contract with the Jakarta government to help Indonesia develop petrochemical industry.

CPC's latest investment spree is making Taiwan the sixth largest foreign investor in Indonesia, up one notch from the current ranking.

Indonesia: Draft Bill on Broadcasting Submitted to House

BK0905132796 Jakarta KOMPAS in Indonesian 7 May 96 p 10

[FBIS Translated Text] Jakarta, KOMPAS — The Draft Bill on Broadcasting was formally submitted to the House of Representatives on 6 May. When passed by Parliament, it will complement the Basic Law on the Press and Basic Law on Films which are currently the standard adopted for media development.

In the 58-article draft bill, 22 articles will be further clarified by government decrees. The draft bill says private broadcasting corporations will be allowed to broadcast their own news programs and the state-owned Television of the Republic Indonesia (TVRI) may be allowed to obtain funds from advertising.

In tabling the Draft Bill on Broadcasting in the House of Representatives, Information Minister Harmoko said that though many of the articles will be further clarified by government decrees, this is not intended in the least to minimize the authority of the house.

"The reason is that out of the 58 articles that we submitted, 22 of them are very technical. Even then, the government still feels that it should ask for house approval to further clarify them with government decrees," Harmoko said at the meeting chaired by Deputy House Speaker Sutejo.

Several of these articles are, among others, the definition of state broadcasting corporations, conditions and procedures for private broadcasting corporations to obtain broadcasting permits, regulations on program subscription, permits on broadcasting foreign programs, production of news programs, classification and pattern of time slot, deals on the airing of commercials, relay broadcasts, and the definition of errors and how to correct them.

Harmoko briefly explained the basic deals that had been formulated in the draft bill.

These were, among others, on producing broadcasts, the basic capital needed, the number of broadcasting corporations, program subscription, foreign broadcasting corporations, program languages, news programs, the airing of commercials, and technical facilities for broadcasting.

Citing an example, Harmoko said, the Draft Bill on Broadcasting states that private broadcasters will have to seek government permit to produce their own news programs. A permit is necessary as news will have a direct and serious impact on the people. Therefore, in order to produce news programs, private stations should meet certain requirements. Among others, they are the ability to produce news, and to recruit a regular professional workforce (journalists) and those responsible for producing news.

On news programs, Article 27 of the draft bill states that the news presentation should be based on the Broadcasting Code of Ethics, respect for the Journalistic Code of Ethics, and existing laws in Indonesia. The same chapter also reiterates that a production house is prohibited from producing news except on certain subjects such as special features or stories of public interest.

"We hope that the honorable House will consider the necessary sanctions for violations of the broadcasting bill," Harmoko said.

Unlike Basic Law on Press No. 21/1982 which clearly states that criminal sanctions will apply to news "with problems," the Draft Bill on Broadcasting does not mention any sanctions against news "with problems" produced by private television stations.

The draft bill also clearly states that a foreign broadcasting corporation cannot be set up in Indonesia but is allowed to carry out broadcasting activities on a temporary basis or journalistic activities with the government's permission.

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